



**Professional
SOLUTIONS**

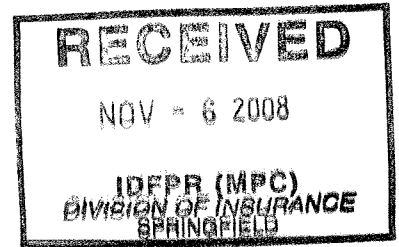
INSURANCE
COMPANY

14001 University Avenue, Clive, Iowa 50325-8258
515-313-4701 • Fax 515-313-4886
Toll-Free 800-864-8026 • Toll-Free Fax 800-510-6370

November 4, 2008

FILED

NOV 15 2008



Illinois Insurance Division
Attn: Gayle Neuman
320 West Washington Street
Springfield, IL 62767

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

RE: Professional Solutions Insurance Company
FEIN: 42-1520773 ✓
NAIC Number: 11127
Physicians and Surgeons Professional Liability Rate/Rule Filing
Filing Number: PSIC MD 2008 Rate
Proposed Effective Date: 11/15/2008

Dear Ms. Neuman:

Professional Solutions Insurance Company (PSIC) currently has on file with the Illinois Insurance Division a claims made professional liability rating manual for our physicians and surgeons professional liability program. PSIC would like to submit for your review and approval an amended claims made professional liability rating manual to replace the manual currently on file. Please see the attached explanatory memorandum and side-by-side rating manual comparison which detail all the changes being made.

Please be advised that that Professional Solutions Insurance Company continues to utilize National Independent Statistical Service for our reporting of statistics.

If you have any questions or need any additional information regarding this filing please feel free to contact me directly. I thank you in advance for your attention to this matter.

Sincerely,

Julia Frank

Juliana Frank
Compliance Manager
PH: (800) 321-7015 Ext. 4557
FX: (515) 313-4476
Email: jfrank@ncmic.com

-19.9%

FO
MEM
RAT
JH

Section 754.EXHIBIT A Summary Sheet (Form RF-3)

FORM (RF-3)

SUMMARY SHEET



Change in Company's premium or rate level produced by rate revision
effective 01/01/2009.

(1)	(2)	(3)
Coverage	Annual Premium Volume (Illinois) *	Percent Change (+or-) **
1. Automobile Liability Private Passenger		
Commercial		
2. Automobile Physical Damag Private Passenger		
Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <u>Medical Malpractice</u>	<u>2,943,069</u>	<u>- 19.9%</u>
<u>Life of Insurance</u>		

Does filing only apply to certain territory (territories) or certain Classes? If so, specify: This filing applies to all territories and classes.

Brief description of filing. (If filing follows rates of an advisory Organization, specify organization): Independent rate/rule filing

Physician/surgeon

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new rates.

Professional Solutions Insurance Company

Name of Company

Jacquie Anderson, Asst. Vice President Compliance

Official - Title

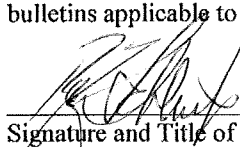
filing# PSIC MD 2008 Rate

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Roger L. Schlueter, a duly authorized officer of Professional Solutions Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Charles W. Mitchell, a duly authorized actuary of Milliman am authorized to certify on behalf of Professional Solutions Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

 Chief Financial Officer
Signature and Title of Authorized Insurance Company Officer 10/27/08
Date

Charles W. Mitchell, Consulting Actuary, FCAS, MAAA 10/27/08
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN 42 - 1520773 Filing Number PSIC MD 2008 Rate

Insurer's Address 14001 University Avenue

City Clive State Iowa Zip Code 50325-8258

Contact Person's:

-Name and E-mail Juliana Frank, Compliance Manager jfrank@ncmic.com

-Direct Telephone and Fax Number 800-321-7015 ext. 4557 Fax: 515-313-4476

Illinois Summary of Effects Exhibit

There are 133 insureds in Illinois. All 133 will receive a 19.9% base rate decrease.

In addition:

There are 47 insureds under class 80257-Internal Med, No Surgery that will receive a 25% decrease due to the class relativity change.

There is 1 insured under class 80267-Pediatric, No Surgery that will receive a 25% decrease due to the class relativity change.

There is 1 insured under class 80151-Anesthesiology that will receive a 65% decrease due to the class relativity change.

There are no insureds under 80421-Fam. Practice, Minor Surgery. This relativity change will not impact any insureds.

There are no insureds under 80293-Pediatric, Minor Surgery. This relativity change will not impact any insureds.

There are no insureds under 80280-Radiology, Diagnostic, Minor Surgery. This relativity change will not impact any insureds.

There are no insureds under 80136-Radiology incl. Radiation Therapy. This relativity change will not impact any insureds.

There are 2 policies that have the Professional Entity with Shared Limits of Liability coverage that will receive a 2% decrease due to the change in the endorsement charge.

NCMIC Insurance Company
Illinois Physicians and Surgeons Professional Liability Program
Rules Explanatory Memorandum

The following items within the rating manual have been revised or added to our currently approved Physicians and Surgeons Professional Liability rating manual as a result of this filing. Please see the side-by-side comparison of the old and new rating manuals for detailed information regarding the revisions outlined below.

- We have replaced the term “base rate” with “manual rate” for consistency of terminology among the rate manual and our internal administration systems.
- We have added the new deductible option to Section II. Premium Determination.
- We have added language to Section IX. Special Provisions – Item C. Extended Reporting Coverage to clarify the provisions of tail coverage after retirement at no additional cost.
- We have added Item I. Deductible to Section IX. Special Provisions to allow for the selection of a deductible by the insured for a premium credit. The aggregate deductible may apply to each individual insured, or to all insureds in the group combined.
- We have added item 6. Longevity Credit to Section X. Scheduled Rating. Insureds will be eligible for a credit based on the length of time they have been insured with PSIC.
- We have revised the claims free credit factors under Section XII. Experience Rating.
- We have revised endorsements and added new endorsements to those listed in Section XIII. Endorsed Coverages. The revisions reflect new titles and/or new descriptions as well as rating changes. With the exception of form PSIC-CM-27, the revisions and additions to the endorsements were filed and approved in the corresponding form filing PSICMDREWRITE-FORM on 10/19/07. Form PSIC-CM-27 is being filed now under separate cover.
- We have added the following medical specialties under Section XIV. Classification Plan:
 - 81249-Psychiatry, no child, including ECT, class 2 (0.850)
 - 80196-Pain Management, class 3 (1.000)
 - 80120-Urology-Minor Surgery, class 4 (1.250)
 - 89298-Pulmonary-Critical Care, class 5 (1.500)
 - 80521-Gen. Prac. or Fam. Prac. 0-24 deliveries-no high risk, class 9 (3.000)
 - 80472-Dermatology Surgery, class 12 (4.500)
- We have modified the following medical specialties under Section XIV. Classification Plan:
 - 80257-Internal Med, No Surgery from Class 4/Rel 1.250 to Class 3/Rel 1.000
 - 80267-Pediatric, No Surgery from Class 4/Rel 1.250 to Class 3/Rel 1.000
 - 80151-Anesthesiology from Class 6/Rel 1.650 to Class 3/Rel 1.000
 - 80421-Fam. Practice, Minor Surgery from Class 6/Rel 1.650 to Class 5/Rel 1.500
 - 80293-Pediatric, Minor Surgery from Class 6/Rel 1.650 to Class 5/Rel 1.500
 - 80280-Radiology, Diagnostic, Minor Surgery from Class 7/Rel 2.150 to Class 6/Rel 1.650
 - 80136-Radiology incl. Radiation Therapy from Class 8/Rel 2.500 to Class 7/Rel 2.150

- We have revised the mid-level ancillary medical personnel, as listed in Section XIV. Classification Plan. The additions and revisions to the mid-level ancillary medical personnel reflect PSIC's selected relativities that reside mid-level to ProNational's filed and approved relativities for these providers. We have attached that filing for your reference. We have also reformatted the Mid-Level Ancillary Medical Personnel Rating section to include all factors for these personnel within one table. The Mid-Level Ancillary Medical Personnel rating will now be based on the 80420 class code unless noted as described in Sections XV.D. and in new Section XVI. of the rating manual.
- We have relocated the charges related to the Professional Entity with Shared Limits of Liability Endorsement from Section XIII. Endorsed Coverages to Item B. of Section XV. Professional Entity Coverage as a matter of organization and decreased the charge from 5% to 3%.
- We have replaced Item C. of Section XV. Professional Entity Coverage with the new language and the corresponding charges of the Professional Entity with Separate Limits of Liability Endorsement. In addition, there is a new option for affiliated physician coverage under the Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement.
- We have renamed Item D. of Section XV. Professional Entity Coverage and added a new option. The title now references "Mid-Level Ancillary Medical Personnel" rather than "Ancillary Medical Personnel". This item now offers an additional option for mid-level ancillary medical personnel to share collectively in a separate limit of liability rather than sharing in the separate limit of liability with the professional entity. The corresponding charges for these options have been updated and additional medical specialties have been added to reflect PSIC's selected relativities that reside mid-level to ProNational's filed and approved relativities for these providers.
- We have added a new Section XV. for employed mid-level ancillary medical personnel that would like individual coverage with separate limits.
- We have decreased base rates by 19.9%.

Neuman, Gayle

From: Juli Frank [JFrank@ncmic.com]
Sent: Wednesday, December 23, 2009 2:46 PM
To: Neuman, Gayle
Cc: Jacquie Anderson
Subject: RE: Professional Solutions - Filing #PSIC MD 2008 Rate

Ms. Neuman -

The filing was effective Nov 15, 2008 for new business, Jan 1, 2009 for renewals.

Thanks,
Juli

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, December 23, 2009 1:47 PM
To: Juli Frank
Subject: Professional Solutions - Filing #PSIC MD 2008 Rate

Ms. Frank,

The Department has now completed its review of the filing referenced above. The Director signed off on this filing on December 23, 2009. Originally, Professional Solutions requested the filing be effective November 15, 2008. Was the filing put in effect on November 15, 2008? Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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12/28/2009

Neuman, Gayle

From: Jacquie Anderson [JAnderson@ncmic.com]
Sent: Wednesday, August 26, 2009 1:50 PM
To: Neuman, Gayle
Cc: Juli Frank
Subject: FW: Professional Solutions - Filing #PSIC MD 2008 Rate

Gayle,

Juli is out of the office for the next several weeks; I'm responding in her stead.

The effective date requested is Nov 15, 2008 for new business, Jan 1, 2009 for renewals.

Thank you.
Jacquie Anderson
NCMIC Group, Inc.
Direct Ph: 515-313-4615

From: Juli Frank
Sent: Wednesday, August 26, 2009 1:40 PM
To: Jacquie Anderson
Subject: FW: Professional Solutions - Filing #PSIC MD 2008 Rate

From: Neuman, Gayle[SMTP:GAYLE.NEUMAN@ILLINOIS.GOV]
Sent: Wednesday, August 26, 2009 1:38:28 PM
To: Juli Frank
Subject: Professional Solutions - Filing #PSIC MD 2008 Rate
Auto forwarded by a Rule

Ms. Frank,

The above referenced filing was received on November 6, 2008. I just realized that the cover letter indicated an effective date of November 15, 2008 while the RF-3 while the RF-3 Summary Sheet and Actuarial Analysis both indicated an effective date of January 1, 2009. Please advise which effective date is/was correct.

Thank you for your prompt attention.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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8/26/2009

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8/26/2009



**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**

STATE OF ILLINOIS

PHYSICIANS AND SURGEONS

PROFESSIONAL LIABILITY MANUAL

CLAIMS MADE COVERAGE

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan beginning on page 10 for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to pages 12 and 13 for a listing of the mid-level ancillary medical personnel who may be covered by either a shared or separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section on page 12 for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply the deductible credit, if applicable.
6. Apply credit, if necessary, for new practitioner or part-time status.
7. Apply any applicable credits for scheduled or experience rating.
8. Apply rounding.
9. Example Premium Calculation:

Assume the full time undiscounted premium is \$1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

$\$1,000 \times .95 = \950.00 (Schedule rating credit of 5%)

$\$950.00 \times .95 = \902.50 (Size of risk credit of 5%)

$\$902.50 = \903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.

\$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

- A. For insureds who practice in multiple states, the location of their primary practice will determine the manual rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's manual rate is higher.
- B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.
- C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

- 1. Annual
- 2. Semi-Annual 50% prepayment required
- 3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
- 4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than \$500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional

Solutions Insurance Company. The insured may apply for the Retroactive Date (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled. The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years.

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1 st year	20% credit
2 nd year	30% credit
3 rd year	40% credit
4 th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for Experience Rating and the Size of Risk Credit.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted manual rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

I. Deductible

The insured may elect to pay a deductible towards the amount paid to claimants as damages. The deductible will be collected after the payment of the claim. The following credits apply to the undiscounted premium:

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>			
	<u>\$5,000/\$15,000</u>	<u>\$10,000/\$30,000</u>	<u>\$15,000/\$45,000</u>	<u>\$20,000/\$60,000</u>
\$100,000/\$300,000	0.956	0.933	0.911	0.878
\$200,000/\$600,000	0.967	0.950	0.933	0.908
\$250,000/\$750,000	0.969	0.954	0.938	0.915
\$500,000/\$1,000,000	0.975	0.963	0.950	0.931
\$1,000,000/\$3,000,000	0.980	0.970	0.960	0.945
\$2,000,000/\$4,000,000	0.984	0.976	0.967	0.955

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>			
	<u>\$25,000/\$75,000</u>	<u>\$50,000/\$150,000</u>	<u>\$100,000/\$300,000</u>	<u>\$200,000/\$600,000</u>
\$100,000/\$300,000	0.844	0.789	N/A	N/A
\$200,000/\$600,000	0.883	0.841	0.741	N/A
\$250,000/\$750,000	0.892	0.854	0.761	0.615
\$500,000/\$1,000,000	0.913	0.881	0.806	0.688
\$1,000,000/\$3,000,000	0.930	0.905	0.845	0.750
\$2,000,000/\$4,000,000	0.943	0.922	0.873	0.796

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>	
	<u>\$250,000/\$750,000</u>	<u>\$500,000/\$1,500,000</u>
\$100,000/\$300,000	N/A	N/A
\$200,000/\$600,000	N/A	N/A
\$250,000/\$750,000	N/A	N/A
\$500,000/\$1,000,000	0.625	N/A
\$1,000,000/\$3,000,000	0.700	0.650
\$2,000,000/\$4,000,000	0.755	0.714

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 40% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. Cumulative Years of Patient Experience: 5% Credit

Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. Classification Differences: 5% Credit / 15%-25% Debit

Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. Implementation of Loss Control Procedures: 3% or 5% Credit

In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. Number / Type of Patient Exposure: 5%-10% Debit

Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. Board Certification Credit: 3% or 5% Credit

In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

6. Longevity Credit

Insureds will be eligible for a credit based on length of time insured with the Company. The following schedule will apply:

1 yr	0%
2 yrs	2%
3 yrs	3%
4 yrs	4%
5+ yrs	5%

XI. ADDITIONAL CREDITS

Size of Risk Credit

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
\$100,001 - \$200,000	.50%
\$200,001 - \$300,000	1.0%
\$300,001 - \$400,000	1.5%
\$400,001 - \$500,000	2.0%
\$500,001 - \$600,000	2.5%
\$600,001 - \$700,000	3.0%
\$700,001 - \$800,000	3.5%
\$800,001 - \$900,000	4.0%
\$900,001 - \$1,000,000	4.5%
over \$1,000,000	5.0%

XII. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

<u># OF CLAIMS IN 5 YEARS</u>	<u>FACTOR</u>
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

- a. The applicant
- b. The agent or broker
- c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed, mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

- a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO		Class	Description	FACTOR
Specialty Codes				
M.D.	D.O.			
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	0.850
81249	2	Psychiatry, no child, including ECT	0.850
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	1.000
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80196	3	Pain Management	1.000
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80120	4	Urology - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

80291	5	Otorhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
89298	5	Pulmonary - Critical Care	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80280	7	Radiology Including Radiation Therapy	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80521	9	Gen. Prac. or Fam. Prac. (0-24 deliveries – No High Risk)	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80472	12	Dermatology Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

Mid-Level Ancillary Medical Personnel Rating:

(Factors based on 80420 unless otherwise noted)

ISO Specialty <u>Codes</u>	Mid-Level Ancillary <u>Medical Personnel</u>	Employed Personnel	
		Shared Limit <u>Factor</u>	Separate Limit <u>Factor</u>
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist (Factors based on 80114)	0.025	0.050

XV. Professional Entity Coverage

A. Solo Practitioner Corporation:

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.
2. Coverage for at least two licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed, mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - **\$9,700.00**
(Cook, Madison and St. Clair counties)

Illinois Territory 02 - **\$7,182.00**
(DuPage, Kane, Lake, McHenry and Will counties)

Illinois Territory 03 - **\$6,337.00**
(Champaign, Macon, Jackson, Vermillion,
Sangamon, DeKalb, Kankakee, LaSalle, Ogle,
Randolph, Winnebago and Jackson counties)

Illinois Territory 04 - **\$4,646.00**
(Remainder of State)

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.375
\$250,000/\$750,000	1.500
\$500,000/\$1,000,000	1.875
\$1,000,000/\$3,000,000	2.500
\$2,000,000/\$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

Side-by-Side Rating Manual Comparison

Attached please find a comparison of Professional Solutions Insurance Company's currently approved physicians and surgeons professional liability rating manual and its revised rating manual. All information that has been deleted from the currently approved manual has a red-line through it and all new information that has been added to the new proposed manual is underlined in blue.

**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**
STATE OF ILLINOIS
PHYSICIANS AND SURGEONS
PROFESSIONAL LIABILITY MANUAL
CLAIMS MADE COVERAGE

**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**
STATE OF ILLINOIS
PHYSICIANS AND SURGEONS
PROFESSIONAL LIABILITY MANUAL
CLAIMS MADE COVERAGE

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan ~~on page 9~~ for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to ~~page 11 for a listing of the ancillary employees who will be charged an additional premium for a~~ separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the ~~partnership, corporation or professional partnership section on page 11 for a description of the corporation~~ rating factors.

II. PREMIUM DETERMINATION

1. Determine the ~~base~~ rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply credit, if necessary, for new practitioner or part-time ~~status (no further credits available, except for Size of Risk Credit).~~
- 6: ~~Apply any credits for scheduled or experience rating.~~
- 7: ~~Apply rounding.~~
- 8: Example Premium Calculation:

Assume the full time undiscounted premium is \$1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

\$1,000 x .95 = \$950.00 (Schedule rating credit of 5%)

\$950.00 x .95 = \$902.50 (Size of risk credit of 5%)

\$902.50 = \$903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.

\$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan beginning on page 10 for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to pages 12 and 13 for a listing of the mid-level ancillary medical personnel who may be covered by either a shared or separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section on page 12 for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply the deductible credit, if applicable.
6. Apply credit, if necessary, for new practitioner or part-time status.
7. Apply any applicable credits for scheduled or experience rating.
8. Apply rounding.
9. Example Premium Calculation:

Assume the full time undiscounted premium is \$1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

\$1,000 x .95 = \$950.00 (Schedule rating credit of 5%)

\$950.00 x .95 = \$902.50 (Size of risk credit of 5%)

\$902.50 = \$903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.

\$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

- A. For insureds who practice in multiple states, the location of their primary practice will determine the ~~base~~ rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's ~~base~~ rate is higher.
- B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.
- C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than \$500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

- A. For insureds who practice in multiple states, the location of their primary practice will determine the manual rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's manual rate is higher.
- B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.
- C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than \$500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional Solutions Insurance Company. The insured may apply for the Retroactive Date (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, ~~under the following circumstances:~~

- ~~1- The insured dies, or~~
- ~~2- The insured becomes permanently disabled and is unable to continue their duties as a licensed insured, or~~
- ~~3- The insured retires. The insured must be age fifty-five (55) or older and have five (5) years of continuous coverage with Professional Solutions Insurance Company in order to qualify for free Extended Reporting Coverage.~~

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;

Solutions Insurance Company. The insured may apply for the Retroactive Date (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled. The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years.

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her ~~training within the previous six months~~, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1 st year	20% credit
2 nd year	30% credit
3 rd year	40% credit
4 th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for ~~Size of Risk~~.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted ~~base~~ rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 40% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1 st year	20% credit
2 nd year	30% credit
3 rd year	40% credit
4 th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for Experience Rating and the Size of Risk Credit.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted manual rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

I. Deductible

The insured may elect to pay a deductible towards the amount paid to claimants as damages. The deductible will be collected after the payment of the claim. The following credits apply to the undiscounted premium:

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>			
	<u>\$5,000/\$15,000</u>	<u>\$10,000/\$30,000</u>	<u>\$15,000/\$45,000</u>	<u>\$20,000/\$60,000</u>
<u>\$100,000/\$300,000</u>	<u>0.956</u>	<u>0.933</u>	<u>0.911</u>	<u>0.878</u>
<u>\$200,000/\$600,000</u>	<u>0.967</u>	<u>0.950</u>	<u>0.933</u>	<u>0.908</u>
<u>\$250,000/\$750,000</u>	<u>0.969</u>	<u>0.954</u>	<u>0.938</u>	<u>0.915</u>
<u>\$500,000/\$1,000,000</u>	<u>0.975</u>	<u>0.963</u>	<u>0.950</u>	<u>0.931</u>
<u>\$1,000,000/\$3,000,000</u>	<u>0.980</u>	<u>0.970</u>	<u>0.960</u>	<u>0.945</u>
<u>\$2,000,000/\$4,000,000</u>	<u>0.984</u>	<u>0.976</u>	<u>0.967</u>	<u>0.955</u>

1. Cumulative Years of Patient Experience: 5% Credit

Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. Classification Differences: 5% Credit / 15%-25% Debit

Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. Implementation of Loss Control Procedures: 3% or 5% Credit

In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. Number / Type of Patient Exposure: 5%-10% Debit

Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. Board Certification Credit: 3% or 5% Credit

In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

XI. ADDITIONAL CREDITS**Size of Risk Credit**

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
\$100,001 - \$200,000	.50%
\$200,001 - \$300,000	1.0%
\$300,001 - \$400,000	1.5%
\$400,001 - \$500,000	2.0%
\$500,001 - \$600,000	2.5%
\$600,001 - \$700,000	3.0%
\$700,001 - \$800,000	3.5%
\$800,001 - \$900,000	4.0%
\$900,001 - \$1,000,000	4.5%
over \$1,000,000	5.0%

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>			
	<u>\$25,000/\$75,000</u>	<u>\$50,000/\$150,000</u>	<u>\$100,000/\$300,000</u>	<u>\$200,000/\$600,000</u>
<u>\$100,000/\$300,000</u>	<u>0.844</u>	<u>0.789</u>	<u>N/A</u>	<u>N/A</u>
<u>\$200,000/\$600,000</u>	<u>0.883</u>	<u>0.841</u>	<u>0.741</u>	<u>N/A</u>
<u>\$250,000/\$750,000</u>	<u>0.892</u>	<u>0.854</u>	<u>0.761</u>	<u>0.615</u>
<u>\$500,000/\$1,000,000</u>	<u>0.913</u>	<u>0.881</u>	<u>0.806</u>	<u>0.688</u>
<u>\$1,000,000/\$3,000,000</u>	<u>0.930</u>	<u>0.905</u>	<u>0.845</u>	<u>0.750</u>
<u>\$2,000,000/\$4,000,000</u>	<u>0.943</u>	<u>0.922</u>	<u>0.873</u>	<u>0.796</u>

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>	
	<u>\$250,000/\$750,000</u>	<u>\$500,000/\$1,500,000</u>
<u>\$100,000/\$300,000</u>	<u>N/A</u>	<u>N/A</u>
<u>\$200,000/\$600,000</u>	<u>N/A</u>	<u>N/A</u>
<u>\$250,000/\$750,000</u>	<u>N/A</u>	<u>N/A</u>
<u>\$500,000/\$1,000,000</u>	<u>0.625</u>	<u>N/A</u>
<u>\$1,000,000/\$3,000,000</u>	<u>0.700</u>	<u>0.650</u>
<u>\$2,000,000/\$4,000,000</u>	<u>0.755</u>	<u>0.714</u>

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 40% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. Cumulative Years of Patient Experience: 5% Credit

Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. Classification Differences: 5% Credit / 15%-25% Debit

Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. Implementation of Loss Control Procedures: 3% or 5% Credit

In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. Number / Type of Patient Exposure: 5%-10% Debit

Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. Board Certification Credit: 3% or 5% Credit

In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

XII. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	6%
5 yrs	7%
6 yrs	8%
7 yrs	9%
8 yrs	10%
9 yrs	11%
10 yrs	12%
11 yrs	13%
12 yrs	14%
13 yrs+	15%

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

<u># OF CLAIMS IN 5 YEARS</u>	<u>FACTOR</u>
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

- The applicant
- The agent or broker
- All previous insurers with respect to the experience period in question.

6. Longevity Credit

Insureds will be eligible for a credit based on length of time insured with the Company. The following schedule will apply:

<u>1 yr</u>	<u>0%</u>
<u>2 yrs</u>	<u>2%</u>
<u>3 yrs</u>	<u>3%</u>
<u>4 yrs</u>	<u>4%</u>
<u>5+ yrs</u>	<u>5%</u>

XI. ADDITIONAL CREDITS**Size of Risk Credit**

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
\$100,001 - \$200,000	.50%
\$200,001 - \$300,000	1.0%
\$300,001 - \$400,000	1.5%
\$400,001 - \$500,000	2.0%
\$500,001 - \$600,000	2.5%
\$600,001 - \$700,000	3.0%
\$700,001 - \$800,000	3.5%
\$800,001 - \$900,000	4.0%
\$900,001 - \$1,000,000	4.5%
over \$1,000,000	5.0%

XII. EXPERIENCE RATING**Claims free credits**

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
<u>4 yrs</u>	<u>10%</u>
<u>5+ yrs</u>	<u>15%</u>

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Corporation with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Partnership, Corporation or Professional Association With Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides ~~a separate limit of liability to a partnership, corporation or professional association. Coverage is provided only to the extent of the entity's liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.~~

Multiple Partnership, Corporation or Professional Association Endorsement- Form PSIC-CM-19

~~This endorsement provides a separate limit of liability that will be shared between multiple partnership(s) or corporation(s) or professional association(s). Coverage is provided only to the extent of the entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.~~

Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-20

This endorsement provides coverage for ~~licensed~~ ancillary medical personnel to share the separate limit of liability ~~for the entity stated on the declaration page. Coverage is provided only for the additional liability imputed as a licensed health care provider and only while acting within the scope of licensure and as an employee of the insured entity stated on the endorsement.~~

Professional Organization as Additional Insured Endorsement- Form PSIC-CM-21

~~This endorsement will be utilized for adding a shared limit for a legal entity/corporation owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the ~~sole practitioner's~~ shared limit coverage and that do not purchase ~~corporation separate limits~~). The charge for this endorsement will be 5% of the named insured's base premium. This form may be added to more than one individual insured's policy.~~

Ancillary Medical Personnel Shared Coverage Endorsement- Form PSIC-CM-22

~~This endorsement will be utilized for adding coverage for an employed, licensed mid-level ancillary provider of an insured that does not desire a separate limit, but that would otherwise be eligible for coverage with PSIC (to be used for other than the sole practitioner and for insureds that do not purchase separate entity limit coverage) to provide coverage for claims made against the insured individual or corporation named on the declaration page due to the action of the employee under the insured's direction and supervision, that would lead to a claim. The charge for this endorsement will be 5% of the highest rated insured's base premium for each licensed ancillary provider, except for Nurse Anesthetists, which will be 15%.~~

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the ~~base~~ corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

<u># OF CLAIMS IN 5 YEARS</u>	<u>FACTOR</u>
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

- a. The applicant
- b. The agent or broker
- c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability to a medical laboratory facility. The premium for the endorsement is based on the following:

- a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

XIV. Classification Plan – Refer to rate sheet for ~~base~~ rate information.

ISO		Class	Description	FACTOR
<u>Specialty Codes</u>				
<u>M.D.</u>	<u>D.O.</u>			
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650
80263		1	Ophthalmology - No Surgery	0.650
80235		1	Physiatry/Physical Medicine	0.650
80231		1	Preventive Medicine - No Surgery	0.650
80251		1	Psychosomatic Medicine	0.650

Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

- a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

80236	1	Public Health	0.650
80237	2	Diabetes No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child	0.850
80252	2	Rheumatology - No Surgery	0.850
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. Or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80302	3	Oncology No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80266	3	Pathology No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80257	4	Internal Medicine - No Surgery	1.250
80287	4	Nephrology - Minor Surgery	1.250
80301	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology - Surgery	1.250
80267	4	Pediatrics - No Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500
80291	5	Otorhinolaryngology - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80151	6	Anesthesiology	1.650
80421	6	Family Phys. Or Gen. Prac.- Minor Surgery	1.650
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO		Class	Description	FACTOR
Specialty Codes				
<u>M.D.</u>	<u>D.O.</u>			
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80293	6	Pediatrics - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80280	7	Radiology Diagnostic - Minor Surgery	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80136	8	Radiology Including Radiation Therapy	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

Ancillary Provider Rating:

Ancillary Provider	Separate Limits Factor
Physician Assistant	0.200
Surgical Assistant	0.200
Nurse Practitioner	0.200
Psychologist	0.250
Nurse Anesthetist	0.560

80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	<u>0.850</u>
<u>81249</u>	2	<u>Psychiatry, no child, including ECT</u>	<u>0.850</u>
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	<u>1.000</u>
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	<u>1.000</u>
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
<u>80259</u>	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
<u>80196</u>	3	<u>Pain Management</u>	<u>1.000</u>
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	<u>1.000</u>
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
<u>80286</u>	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	<u>Ophthalmology Surgery</u>	<u>1.250</u>
80298	4	<u>Pulmonary Diseases - Minor Surgery</u>	<u>1.250</u>
<u>80120</u>	4	<u>Urology - Minor Surgery</u>	<u>1.250</u>
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	<u>1.500</u>
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

~~XV. Partnership-Corporation-Professional-Association-Coverage~~**~~A. Sole Practitioner Corporation:~~**

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

~~B. Separate Limits of Liability:~~

~~Coverage for partnerships, corporations, or professional associations may be written with a separate limit of liability. The premium charge for separate limits will be a percentage of the total undiscounted liability premium for all practitioners. The percentage will vary based on the number of insureds in the corporation.~~

<u>Number of Insureds</u>	<u>Percent</u>
2-5	15.0%
6-9	12.0%
10-19	9.0%
20-49	7.0%
50 or more	5.0%

~~C. Multiple Corporations:~~

~~Coverage for multiple partnership(s), corporation(s) or professional association(s) may be written with a separate limit of liability shared among the multiple entities. The premium charge for separate limits will be a percentage of the total undiscounted liability premium for all practitioners in the primary entity. The percentage will vary based on the number of insureds in the primary entity. There is no additional charge for each additional entity that will share in this separate limit.~~

<u>Number of Insureds</u>	<u>Percent</u>
2-5	15.0%
6-9	12.0%
10-19	9.0%
20-49	7.0%
50 or more	5.0%

~~D. Ancillary Medical Personnel Coverage:~~

~~Coverage for licensed ancillary medical personnel may be written so the ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limits will be a factor of the highest classed insured at a mature claims made step for each ancillary provider that will be named on the endorsement.~~

<u>Licensed Ancillary Provider</u>	<u>Shared Limits Factor</u>
Physician Assistant	0.050
Surgical Assistant	0.050
Nurse Practitioner	0.050
Psychologist	0.050
Nurse Anesthetist	0.150

80291	5	Otorhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	<u>1.500</u>
80294	5	Physicians - Minor Surgery N.O.C.	1.500
<u>89298</u>	5	<u>Pulmonary - Critical Care</u>	<u>1.500</u>
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	<u>1.650</u>
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80280	7	Radiology Including Radiation Therapy	<u>2.150</u>
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
<u>80521</u>	9	<u>Gen. Prac. or Fam. Prac. (0-24 deliveries - No High Risk)</u>	<u>3.000</u>
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
<u>80472</u>	12	<u>Dermatology Surgery</u>	<u>4.500</u>
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

XVI. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

<u>Illinois Territory 01 -</u> (Cook, Madison and St. Clair counties)	\$12,110.00
<u>Illinois Territory 02 -</u> (DePage , Kane, Lake, McHenry and Will counties)	\$8,967.00
<u>Illinois Territory 03 -</u> (Champaign, Macon, Jackson, Vermillion, Sangamon, DeKalb, Kankakee, LaSalle, Ogle, Randolph, Winnebago and Jackson counties)	\$7,911.00
<u>Illinois Territory 04 -</u> (Remainder of State)	\$5,800.00

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.375
\$250,000/\$750,000	1.500
\$500,000/\$1,000,000	1.875
\$1,000,000/\$3,000,000	2.500
\$2,000,000/\$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

Mid-Level Ancillary Medical Personnel Rating:(Factors based on 80420 unless otherwise noted)

ISO Specialty	Mid-Level Ancillary	Employed Personnel	
		Shared Limit	Separate Limit
Codes	Medical Personnel	Factor	Factor
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist <u>(Factors based on 80114)</u>	0.025	0.050

XV. Professional Entity Coverage**A. Solo Practitioner Corporation:**

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.
2. Coverage for at least two licensed mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician – No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - **\$9,700.00**
(Cook, Madison and St. Clair counties)

Illinois Territory 02 - **\$7,182.00**
(DuPage, Kane, Lake, McHenry and Will counties)

Illinois Territory 03 - **\$6,337.00**
(Champaign, Macon, Jackson, Vermillion,
Sangamon, DeKalb, Kankakee, LaSalle, Ogle,
Randolph, Winnebago and Jackson counties)

Illinois Territory 04 - **\$4,646.00**
(Remainder of State)

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.375
\$250,000/\$750,000	1.500
\$500,000/\$1,000,000	1.875
\$1,000,000/\$3,000,000	2.500
\$2,000,000/\$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

Contact Person:**Gayle Neuman****217-524-6497****Gayle.Neuman@illinois.gov****Illinois Division of Insurance
Review Requirements Checklist****320 West Washington Street
Springfield, IL 62767-0001****Effective as of 8/25/06****Line(s) of Business****Code(s)** **MEDICAL MALPRACTICE****11.0000** X **Claims Made****11.1000** **Occurrence****11.2000*******This checklist is for rate/rule
filings only.****See separate form checklist.**

<u>Line(s) of Insurance</u>	<u>Code(s)</u>	<u>Line(s) of Insurance</u>	<u>Code(s)</u>	<u>Line(s) of Insurance</u>	<u>Code(s)</u>
<u> </u> Acupuncture	11.0001	<u> </u> Hospitals	11.0009	<u> </u> Optometry	11.0019
<u> </u> Ambulance Services	11.0002	<u> </u> Professional Nurses	11.0032	<u> </u> Osteopathy	11.0020
<u> </u> Anesthetist	11.0031	<u> </u> Nurse – Anesthetists	11.0010	<u> </u> Pharmacy	11.0021
<u> </u> Assisted Living Facility	11.0033	<u> </u> Nurse – Lic. Practical	11.0011	<u> </u> Physical Therapy	11.0022
<u> </u> Chiropractic	11.0003	<u> </u> Nurse – Midwife	11.0012	<u> X </u> Physicians & Surgeons	11.0023
<u> </u> Community Health Center	11.0004	<u> </u> Nurse – Practitioners	11.0013	<u> </u> Physicians Assistants	11.0024
<u> </u> Dental Hygienists	11.0005	<u> </u> Nurse – Private Duty	11.0014	<u> </u> Podiatry	11.0025
<u> </u> Dentists	11.0030	<u> </u> Nurse – Registered	11.0015	<u> </u> Psychiatry	11.0026
<u> </u> Dentists – General Practice	11.0006	<u> </u> Nursing Homes	11.0016	<u> </u> Psychology	11.0027
<u> </u> Dentists – Oral Surgeon	11.0007	<u> </u> Occupational Therapy	11.0017	<u> </u> Speech Pathology	11.0028
<u> </u> Home Care Service Agencies	11.0008	<u> </u> Ophthalmic Dispensing	11.0018	<u> </u> Other	11.0029

Illinois Insurance Code Link	Illinois Compiled Statutes Online	
Illinois Administrative Code Link	Administrative Regulations Online	
Product Coding Matrix Link	Product Coding Matrix	
NAIC Uniform Transmittal Form	50 IL Adm. Code 929 NAIC Uniform Transmittal Form	If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/ explanatory memorandum, the Division will accept such form, as long as all information required in the "Cover Letter & Explanatory Memorandum" section below are properly included.
NAIC Self- Certification Pilot Program	Newsletter Article regarding Division's Participation Self-Certification form	If an authorized company officer completes the Self-Certification form, and submits such form as the 1 st page of the filing, the Division will expedite review of the filing ahead of all other filings received to date. The Division will track company compliance with the laws, regulations, bulletins, and this checklist and report such information to the NAIC.
Location of Standard within Filing Column	See checklist format below.	To expedite review of your filing, use this column to indicate location of the standard within the filing (e.g. page #, section title, etc.)
Description of Review Standards Requirements Column	See checklist format below.	These brief summaries do not include all requirements of all laws, regulations, bulletins, or requirements, so review actual law, regulation, bulletin, or requirement for details to ensure that forms are fully compliant before filing with the Division of Insurance.

FILING REQUIREMENTS FOR FORM FILINGS	REFERENCE	DESCRIPTION OF REVIEW STANDARD REQUIREMENT	LOCATION OF STANDARD WITHIN FILING
See separate form filing checklist.		To assist insurers in submitting compliant medical liability rate/rule filings as a result of newly-passed PA94-677 (SB475), the Division has created this separate, comprehensive rate/rule filing checklist for medical liability filings. Please see the separate form filing checklist for requirements related to medical liability forms.	OK
GENERAL FILING REQUIREMENTS FOR ALL RATE/RULE FILINGS			
LINE OF AUTHORITY			
Must have proper Class and Clause authority to conduct this line of business in Illinois.	215 ILCS 5/4 <u>List of Classes/</u> <u>Clauses</u>	To write Medical Liability insurance in Illinois, companies must be licensed to write: 1. Class 2, Clause (c)	OK
RATES AND RULES REQUIRED TO BE FILED			
Rates/Rules Must be Filed Separately from Forms			
Insurers shall make separate filings for rate/rules and for forms/endorsements, etc.		The laws and regulations for medical liability forms/endorsements and the laws for medical liability rates/rules are different and each must be reviewed according to its own set of laws/regulations/procedures. Therefore, insurers are required to file forms and rates/rules separately. For requirements regarding form filings, see separate form filing checklist.	OK
New Insurers			
New insurers must file their rates, rules, plans for gathering statistics, etc. upon commencement of business.	215 ILCS 5/155.18 50 IL Adm. Code 929	"New Insures" are insurers who are: <ul style="list-style-type: none"> • New to Illinois. • New writers of medical liability insurance in Illinois. • Writing a new Line of Insurance listed on Page 1 of this checklist, New insurers must file the following: <ol style="list-style-type: none"> a) Medical liability insurance rate manual, including all rates. b) Rules, including underwriting rule manuals which contain rules for applying rates or rating plans, c) Classifications and other such schedules used in writing medical liability insurance. d) Statement regarding whether the insurer: 	N/A

		<ul style="list-style-type: none"> Has its own plan for the gathering of medical liability statistics; or Reports its medical liability statistics to a statistical agent (and if so, which agent). <p>The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency.</p> <p>Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.</p>	N/A
Amendments to Initial Rate/Rule Filings			
After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules, or advise of changes to statistical plans, as often as they are amended.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	<p>After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules/rating schedules (as described above for new business) as often as such filings are changed or amended, or when any new rates or rules are added.</p> <p>Any change in premium to the company's insureds as a result of a change in the company's base rates or a change in its increased limits factors shall constitute a change in rates and shall require a filing with the Director.</p> <p>Insurers shall also advise the Director if its plans for the gathering of statistics has changed, or if the insurer has changed statistical agents.</p> <p>The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency.</p> <p>Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.</p>	OK
EFFECTIVE DATES OF RATE/RULE FILINGS			
Illinois is "file and use" for medical liability rates and rules.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	A rate/rating plan/rule filing shall go into effect no earlier than the date the filing is received by the Division of Insurance, Property & Casualty Compliance Section, except as otherwise provided in Section 155.18.	OK
ADOPTIONS OF ADVISORY ORGANIZATION FILINGS			
Insurer must file all rates and rules on its own behalf.	<u>50 IL Adm. Code 929</u>	Although Rule 929 allows for insurers to adopt advisory organization rule filings, advisory organizations no longer file rules in Illinois.	N/A
COPIES, RETURN ENVELOPES, ETC.			

Requirement for duplicate copies and return envelope with adequate postage.	50 IL Adm. Code 929	Insurers that desire a stamped returned copy of the filing or submission letter must submit a duplicate copy of the filing/letter, along with a return envelope large enough and containing enough postage to accommodate the return filing.	OK
COVER LETTER & EXPLANATORY MEMORANDUM			
Two copies of a submission letter are required, and the submission letter must contain the information specified. "Me too" filings are not allowed. Use of NAIC Uniform Transmittal form is acceptable as long as all required information is included.	215 ILCS 5/155.18 50 IL Adm. Code 929 <u>Company Bulletin 88-53</u> <u>Actuarial Certification Form</u> <u>NAIC Uniform Transmittal Form</u>	All filings must be accompanied by a submission letter which includes <u>all</u> of the following information: 1) Exact name of the company making the filing. 2) Federal Employer Identification Number (FEIN) of the company making the filing. 3) Unique filing identification number – may be alpha, numeric, or both. Each filing number must be unique within a company and may not be repeated on subsequent filings. If filing subsequent revisions to a pending filing, use the same filing number as the pending filing or the revision(s) will be considered a new filing. 4) Identification of the classes of medical liability insurance to which the filing applies (for identifying classes, refer to Lines of Insurance shown on Page 1 of this checklist, in compliance with the NAIC Product Coding Matrix). 5) Notification of whether the filing is new or supersedes a present filing. If filing supersedes a present filing, insurer must identify <u>all</u> changes in superseding filings, <u>and all</u> superseded filings, including the following information: <ul style="list-style-type: none"> • Copy of the complete rate/rule manual section(s) being changed by the filing with all changes clearly highlighted or otherwise identified. • Written statement that all changes made to the superseded filing have been disclosed. • List of all pages that are being completely superseded or replaced with new pages. • List of pages that are being withdrawn and not being replaced. • List of new pages that are being added to the superseded filing. • Copies of all manual pages that are affected by the new filing, including but not limited to subsequent pages that are amended solely by receiving new page numbers. 6) Effective date of use. 7) Actuarial certification (see Actuarial Certification section below). Insurers may use their own form or may use the sample form developed by the Division. 8) Statement that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any amended provisions, does not unfairly discriminate.	OK

		<p>Companies under the same ownership or general management are required to make <u>separate, individual company filings</u>. Company Group ("Me too") filings are unacceptable.</p> <p>If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/explanatory memorandum, the Division will accept such form, as long as all information required in this section is properly included.</p>	OK
FORM RF-3 Summary Sheet			
For any rate change, duplicate copies of Form RF-3 must be filed, no later than the effective date.	<u>50 IL Adm. Code 929</u> <u>Form RF-3 Summary Sheet</u>	<p>For any rate level change, insurers must file two copies of Form RF-3 (Summary Sheet) which provides information on changes in rate level based on the company's premium volume, rating system, and distribution of business with respect to the classes of medical liability insurance to which the rate revision applies. Such forms must be received by the Division's Property & Casualty Compliance Section no later than the stated effective date of use.</p> <p>Insurers must report the rate change level and premium volume amounts on the "Other" Line and insert the words "Medical Liability" on the "Other" descriptive line. Do not list the information on the "Other Liability" line.</p> <p>If the Medical Liability premium is combined with any other Lines of Business (e.g. CGL, commercial property, etc.), the insurer must report the effect of rate changes to each line separately on the RF-3, indicating the premium written and percent of rate change for each line of business.</p> <p>The RF-3 form must indicate whether the information is "exact" or "estimated."</p>	OK
PAYMENT PLANS			
Quarterly premium payment installment plan required as prescribed by the Director.	<u>215 ILCS 5/155.18</u>	<p>A company writing medical liability insurance in Illinois shall offer to each of its medical liability insureds the option to make premium payments in quarterly installments as prescribed by and filed with the Director. Such option must be offered in the initial offer of the policy or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer need not offer the option, but if the insured requests it, must make it available. Such plans are subject to the following minimum requirements:</p> <ul style="list-style-type: none"> • May not require more than 40% of the estimated total premium to be paid as the initial payment; • Must spread the remaining premium equally among the 2nd, 3rd, and 4th installments, with the maximum set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively; • May not apply interest charges; • May include an installment charge or fee of no 	Section VII page 3

		<p>more than the lesser of 1% of the total premium or \$25;</p> <ul style="list-style-type: none"> Must spread any additional premium resulting from changes to the policy equally over the remaining installments, if any. If there are no remaining installments, the additional premium may be billed immediately as a separate transaction; and May, but is not required to offer payment plan for extensions of a reporting period, or to insureds whose annual premiums are less than \$500. However, if offered to either, the plan must be made available to all within that group. 	Section VII page 3
DEDUCTIBLES			
Deductible plans should be filed if offered.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer the opportunity for participation in a plan offering deductibles to its medical liability insureds. Any such plan shall be contained in a filed rate/rule manual section entitled "Deductibles Offered" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	Section IX pages 5-6
DISCOUNTS			
Premium discount for risk management activities should be filed if offered.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer their medical liability insureds a plan providing premium discounts for participation in risk management activities. Any such plan shall be contained in a filed rate/rule manual section entitled "Risk Management Activities Discounts" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	Section X page 6
CLAIMS MADE REQUIREMENTS			
Extended reporting period (tail coverage) requirements.	<p>215 ILCS 5/143(2)</p> <p>Company Bulletin 88-50</p>	<p>When issuing claims-made medical liability insurance policies, insurers must include the following specific information in their rate/rule manuals:</p> <ul style="list-style-type: none"> Offer of an extended reporting period (tail coverage) of <u>at least</u> 12 months. The rate/rule manual must specify whether the extended reporting period is unlimited or indicate its term (i.e. number of years).*** Cost of the extended reporting period, which <u>must</u> be priced as a factor of one of the following:*** <ul style="list-style-type: none"> the last 12 months' premium. the premium in effect at policy issuance. the expiring annual premium. List of any credits, discounts, etc. that will be added or removed when determining the final extended reporting period premium. Insurer will inform the insured of the extended reporting period premium at the time the last policy is purchased. The insurer may not wait until the insured 	Section IX page 4

		<p>requests to purchase the extended reporting period coverage to tell the insured what the premium will be or how the premium would be calculated.</p> <ul style="list-style-type: none"> Insurer will offer the extended reporting period when the policy is terminated for any reason, including non-payment of premium, and whether the policy is terminated at the company's or insured's request. Insurer will allow the insured 30 days after the policy is terminated to purchase the extended reporting period coverage.*** Insurer will trigger the claims made coverage when notice of claim is received and recorded by the insured or company, whichever comes first. <p>***If the medical liability coverage is combined with other professional or general liability coverages, the medical liability insurer must meet all of the above requirements, except those indicated with ***, in which case, the insurer must:</p> <ul style="list-style-type: none"> Offer free 5-year extended reporting period (tail coverage) or Offer an unlimited extended reporting period with the limits reinstated (100% of aggregate expiring limits for the duration) Cap the premium at 200% of the annual premium of the expiring policy; and Give the insured a free-60 day period after the end of the policy to request the coverage. 	Section IX page 4
GROUP MEDICAL LIABILITY			
Group medical liability insurance is not specifically allowed under the Illinois Insurance Code.	50 IL Adm. Code 906	Part 906 of the Illinois Administrative Code prohibits writing of group casualty (liability) insurance unless specifically authorized by statute. The Illinois Insurance Code does not specifically authorize the writing of group medical liability insurance.	N/A
CANCELLATION & NONRENEWAL PROVISION REQUIREMENTS			
If rate/rule manuals contain language pertaining to cancellation or nonrenewal, must comply with all cancellation/nonrenewal laws.	See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	If a rate or rule manual contains language pertaining to cancellation or nonrenewal of any medical liability insurance coverage, such provisions must comply with all cancellation and nonrenewal provisions of the Illinois Insurance Code, including but not limited to the following: 143.10, 143.16, 143.16a, 143.17a. See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	Section VI page 3
ACTUARIAL REVIEW REQUIREMENTS			

Rates shall not be excessive, inadequate, or unfairly discriminatory.	215 ILCS 5/155.18	<p>In the making or use of rates pertaining to all classes of medical liability insurance, rates shall not be excessive, or inadequate, nor shall they be unfairly discriminatory.</p> <p>Rate and rule manual provisions should be defined and explained in a manner that allows the Division to ascertain whether the provision could be applied in an unfairly discriminatory manner. For example, if a rate/rule manual contains ranges of premiums or discounts, the provision must specify the criteria to determine the specific premium/discount an insured or applicant would receive.</p> <p>The Director may, by order, adjust a rate or take any other appropriate action at the conclusion of a public hearing.</p>	OK
PRICING			
Insurers shall consider certain information when developing medical liability rates.	215 ILCS 5/155.18	<p>Consideration shall be given, to the extent applicable, to past and prospective loss experience within and outside this State, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and those especially applicable to Illinois, and to all other factors, including judgment factors, deemed relevant within and outside Illinois.</p> <p>Consideration may also be given in the making and use of rates to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers.</p> <p>The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.</p>	See Actuarial Analysis
Minimum Premium Rules			
Insurers may group or classify risks for establishing rates and minimum premiums.	215 ILCS 5/155.18	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	N/A
"A" RATED RISKS			
Individual Risk Rating			

Risks may be rated on an individual basis as long as all provisions required in Section 155.18 are met.	215 ILCS 5/155.18	Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such classifications or modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations, and shall apply to all risks under the same or substantially the same circumstances or conditions. The rate for an established classification should be related generally to the anticipated loss and expense factors or the class.	N/A
RISK CLASSIFICATION			
Risks may be grouped by classifications.	215 ILCS 5/155.18	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	N/A
Rating decisions based solely on domestic violence.	215 ILCS 5/155.22b	No insurer may that issues a property and casualty policy may use the fact that an applicant or insured incurred bodily injury as a result of a battery committed against him/her by a spouse or person in the same household as a sole reason for a rating decision.	N/A
Unfair methods of competition or unfair or deceptive acts or practices defined.	215 ILCS 5/424(3)	It is an unfair method of competition or unfair and deceptive act or practice if a company makes or permits any unfair discrimination between individuals or risks of the same class or of essentially the same hazard and expense element because of the race, color, religion, or national origin of such insurance risks or applicants.	N/A
Procedure as to unfair methods of competition or unfair or deceptive acts or practices not defined.	215 ILCS 5/429	Outlines the procedures the Director follows when he has reason to believe that a company is engaging in unfair methods of competition or unfair or deceptive acts or practices.	N/A
Territorial Definitions			
Rate/rule manuals must contain correct and adequate definitions of Illinois territories.	215 ILCS 5/155.18	When an insurer's rate/rule program includes differing territories within the State of Illinois, rate/rule manuals must contain correct and adequate definitions of those territories, and that all references to the territories or definitions are accurate, so the Division does not need to request additional information.	Section XVII page 14
ACTUARIAL SUPPORT INFORMATION REQUIRED			
ACTUARIAL CERTIFICATION			
Actuarial certification must accompany all rate filings and all rule filings that affect rates.	215 ILCS 5/155.18 50 IL Adm. Code 929 Actuarial Certification Form	Every rate and/or rating rule filing must include a certification by an officer of the company and a qualified actuary that the company's rates and/or rules are based on sound actuarial principles and are not inconsistent with the company's experience. Insurers may use their own form or may use the sample form created by the Division.	See Certification
ACTUARIAL OR STATISTICAL INFORMATION			

Director may request actuarial and statistical information.	215 ILCS 5/155.18 50 IL Adm. Code 929	The Director may require the filing of statistical data and any other pertinent information necessary to determine the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, rates, forms or any combination thereof. If the Director requests information or statistical data to determine the manner the insurer used to set the filed rates and/or to determine the reasonableness of those rates, as well as the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, or any combination thereof, the insurer shall provide such data or information within 14 calendar days of the Director's request.	See Actuarial Analysis
Explanatory Memorandum			
Insurers shall include actuarial explanatory memorandum with any rate filing, as well as any rule filing that affects the ultimate premium.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial explanatory memorandum with any rate filing, as well as any rule filing that affects the ultimate premium. The explanatory memorandum shall contain, at minimum, the following information: <ul style="list-style-type: none"> • Explanation of ratemaking methodologies. • Explanations of specific changes included in the filing. • Narrative that will assist in understanding the filing. 	See Explanatory Memo
Summary of Effects Exhibit			
Insurers shall include an exhibit illustrating the effect of each change and calculation indicating how the final effect was derived.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit illustrating the effect of each individual change being made in the filing (e.g. territorial base rates, classification factor changes, number of exposures affected by each change being made, etc.), and include a supporting calculation indicating how the final effect was derived.	Please see exhibit
Actuarial Indication			
Insurers shall include actuarial support justifying the overall changes being made.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial support justifying the overall changes being made, including but not limited to: <ul style="list-style-type: none"> • Pure premiums (if used). • Earned premiums. • Incurred losses. • Loss development factors. • Trend factors. • On-Level factors. • Permissible loss ratios, etc. 	See Actuarial Analysis
Loss Development Factors and Analysis			
Insurers shall include support for loss development factors and analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial support for loss development factors and analysis, including but not limited to loss triangles and selected factors, as well as support for the selected factors.	N/A
Ultimate Loss Selections			
Insurers shall include support for ultimate loss selections.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for ultimate loss selections, including an explanation of selected losses if results from various methods differ significantly.	See Actuarial Analysis
Trend Factors and Analysis			

Insurers shall include support for trend factors and analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for trend factors and analysis, including loss and premium trend exhibits demonstrating the basis for the selections used.	N/A
On-Level Factors and Analysis			
Insurers shall include support for on-level factors and analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for on-level factors and analysis, including exhibits providing on-level factors and past rate changes included in calculations.	N/A
Loss Adjustment Expenses			
Insurers shall include support for loss adjustment expenses.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for loss adjustment expenses, including exhibits providing documentation to support factors used for ALAE and ULAE. If ALAE is included in loss development analysis, no additional ALAE exhibit is required.	See Actuarial Analysis
Expense Exhibit			
Insurers shall include an expense exhibit. Insurers may use expense provisions that differ from those of other companies or groups of companies.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit indicating all expenses used in the calculation of the permissible loss ratio, including explanations and support for selections. The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.	N/A
Investment Income Calculation			
Insurers shall include an exhibit for investment income calculation.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit demonstrating the calculation for the investment income factor used in the indication.	N/A
Profit and Contingencies Calculation			
Insurers shall include an exhibit for profit and contingencies load.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit illustrating the derivation of any profit and contingencies load.	N/A
Credibility Standard Used			
Insurers shall include the number of claims being used to calculate the credibility factor.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers should include the number of claims being used to calculate the credibility factor. If another method of calculating credibility is utilized, insurers should include a description of the method used.	N/A
Other Actuarial Information Required			
Insurers must include the information described in this section.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall also include the following information: <ul style="list-style-type: none"> All actuarial support/justification for all rates being changed, including but not limited to changes in: <ul style="list-style-type: none"> Base rates; Territory definitions; Territory factor changes; Classification factor changes; Classification definition changes; Changes to schedule credits/debits, etc. Exhibits containing current and proposed rates/ 	See Actuarial Analysis

		<p>factors for all rates and classification factors, etc. being changed.</p> <ul style="list-style-type: none"> Any exhibits necessary to support the filing that are not mentioned elsewhere in this checklist. 	
Schedule Rating			
Insurers must include the described information described at right.	<p><u>215 ILCS 5/155.18</u></p> <p><u>50 IL Adm. Code 929</u></p>	Insurers should include appropriate actuarial justification when filing schedule rating plans and/or changes to schedule rating plans.	N/A

**PROFESSIONAL SOLUTIONS
INSURANCE COMPANY**
*STATE OF ILLINOIS
PHYSICIANS AND SURGEONS
PROFESSIONAL LIABILITY MANUAL
CLAIMS MADE COVERAGE*

FILED

NOV 15 2008

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan beginning on page 10 for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to pages 12 and 13 for a listing of the mid-level ancillary medical personnel who may be covered by either a shared or separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section on page 12 for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply the deductible credit, if applicable.
6. Apply credit, if necessary, for new practitioner or part-time status.
7. Apply any applicable credits for scheduled or experience rating.
8. Apply rounding.
9. Example Premium Calculation:

Assume the full time undiscounted premium is \$1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

$\$1,000 \times .95 = \950.00 (Schedule rating credit of 5%)

$\$950.00 \times .95 = \902.50 (Size of risk credit of 5%)

$\$902.50 = \903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: \$1,234.30 is rounded to \$1,234.

\$1,234.60 is rounded to \$1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium based upon the percentage of time spent in the other state or territory.

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- A. For insureds who practice in multiple states, the location of their primary practice will determine the manual rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's manual rate is higher.
- B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.
- C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

- 1. Annual
- 2. Semi-Annual 50% prepayment required
- 3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
- 4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than \$500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional

Solutions Insurance Company. The insured may apply for the Retroactive Date (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

<u># of Years Completed in Claims Made Program</u>	<u>Tail Factor</u>
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled. The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years.

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1 st year	50% credit
2 nd year	30% credit
3 rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1 st year	20% credit
2 nd year	30% credit
3 rd year	40% credit
4 th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for Experience Rating and the Size of Risk Credit.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted manual rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

I. Deductible

The insured may elect to pay a deductible towards the amount paid to claimants as damages. The deductible will be collected after the payment of the claim. The following credits apply to the undiscounted premium:

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>			
	<u>\$5,000/\$15,000</u>	<u>\$10,000/\$30,000</u>	<u>\$15,000/\$45,000</u>	<u>\$20,000/\$60,000</u>
\$100,000/\$300,000	0.956	0.933	0.911	0.878
\$200,000/\$600,000	0.967	0.950	0.933	0.908
\$250,000/\$750,000	0.969	0.954	0.938	0.915
\$500,000/\$1,000,000	0.975	0.963	0.950	0.931
\$1,000,000/\$3,000,000	0.980	0.970	0.960	0.945
\$2,000,000/\$4,000,000	0.984	0.976	0.967	0.955

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<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>			
	<u>\$25,000/\$75,000</u>	<u>\$50,000/\$150,000</u>	<u>\$100,000/\$300,000</u>	<u>\$200,000/\$600,000</u>
\$100,000/\$300,000	0.844	0.789	N/A	N/A
\$200,000/\$600,000	0.883	0.841	0.741	N/A
\$250,000/\$750,000	0.892	0.854	0.761	0.615
\$500,000/\$1,000,000	0.913	0.881	0.806	0.688
\$1,000,000/\$3,000,000	0.930	0.905	0.845	0.750
\$2,000,000/\$4,000,000	0.943	0.922	0.873	0.796

<u>Policy Limits</u>	<u>Deductible Factors (Loss Only)</u>	
	<u>\$250,000/\$750,000</u>	<u>\$500,000/\$1,500,000</u>
\$100,000/\$300,000	N/A	N/A
\$200,000/\$600,000	N/A	N/A
\$250,000/\$750,000	N/A	N/A
\$500,000/\$1,000,000	0.625	N/A
\$1,000,000/\$3,000,000	0.700	0.650
\$2,000,000/\$4,000,000	0.755	0.714

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 25% credit to a 25% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. Cumulative Years of Patient Experience: 5% Credit

Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. Classification Differences: 5% Credit / 15%-25% Debit

Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. Implementation of Loss Control Procedures: 3% or 5% Credit

In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. Number / Type of Patient Exposure: 5%-10% Debit

Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. Board Certification Credit: 3% or 5% Credit

In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

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6. Longevity Credit

Insureds will be eligible for a credit based on length of time insured with the Company. The following schedule will apply:

1 yr	0%
2 yrs	2%
3 yrs	3%
4 yrs	4%
5+ yrs	5%

XI. ADDITIONAL CREDITS

Size of Risk Credit

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
\$100,001 - \$200,000	.50%
\$200,001 - \$300,000	1.0%
\$300,001 - \$400,000	1.5%
\$400,001 - \$500,000	2.0%
\$500,001 - \$600,000	2.5%
\$600,001 - \$700,000	3.0%
\$700,001 - \$800,000	3.5%
\$800,001 - \$900,000	4.0%
\$900,001 - \$1,000,000	4.5%
over \$1,000,000	5.0%

XII. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than \$10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

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Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

<u># OF CLAIMS IN 5 YEARS</u>	<u>FACTOR</u>
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

- a. The applicant
- b. The agent or broker
- c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed, mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

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Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

- a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

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Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO		Class	Description	FACTOR
Specialty Codes				
M.D.	D.O.			
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

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80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	0.850
81249	2	Psychiatry, no child, including ECT	0.850
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	1.000
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80196	3	Pain Management	1.000
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80120	4	Urology - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

80291	5	Otorhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
89298	5	Pulmonary - Critical Care	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80136	7	Radiology Including Radiation Therapy	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80521	9	Gen. Prac. or Fam. Prac. (0-24 deliveries – No High Risk)	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80472	12	Dermatology Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

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Mid-Level Ancillary Medical Personnel Rating:

(Factors based on 80420 unless otherwise noted)

ISO Specialty <u>Codes</u>	Mid-Level Ancillary <u>Medical Personnel</u>	Employed Personnel	
		Shared Limit <u>Factor</u>	Separate Limit <u>Factor</u>
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist (Factors based on 80114)	0.025	0.050

XV. Professional Entity Coverage

A. Solo Practitioner Corporation:

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.
2. Coverage for at least two licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

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XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed, mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - **\$9,700.00**
(Cook, Madison and St. Clair counties)

Illinois Territory 02 - **\$7,182.00**
(DuPage, Kane, Lake, McHenry and Will counties)

Illinois Territory 03 - **\$6,337.00**
(Champaign, Macon, Jackson, Vermillion,
Sangamon, DeKalb, Kankakee, LaSalle, Ogle,
Randolph, Winnebago and Jackson counties)

Illinois Territory 04 - **\$4,646.00**
(Remainder of State)

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.375
\$250,000/\$750,000	1.500
\$500,000/\$1,000,000	1.875
\$1,000,000/\$3,000,000	2.500
\$2,000,000/\$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

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PROFESSIONAL SOLUTIONS INSURANCE COMPANY
ILLINOIS PHYSICIANS PROFESSIONAL LIABILITY
ACTUARIAL ANALYSIS OF PROPOSED RATE LEVELS
EFFECTIVE JANUARY 1, 2009

This memorandum has been prepared in support of Professional Solutions Insurance Company's (PSIC) rate level requirements for Illinois physicians professional liability (PPL) coverage effective January 1, 2009.

Due to the limited volume of historical PSIC-specific premium and claims experience in Illinois, we have supplemented the PSIC claims experience with loss cost information obtained from recent PPL rate filings of ISMIE Mutual Insurance Company (ISMIE) effective July 1, 2006 and October 1, 2008 in order to evaluate PSIC's rate level requirements. ISMIE is the largest provider of PPL coverage in Illinois and hence, PSIC believes the ISMIE rate filing provides a representative source for estimating expected PPL claim costs in Illinois.

The key assumptions underlying PSIC's proposed rates are summarized below:

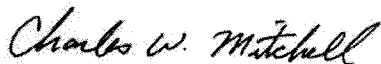
- 1) Exhibits 1 through 4 display the rate change projection based on PSIC's historical premium and claims experience in Illinois. As summarized on Exhibit 1, PSIC has written PPL coverage in Illinois since 2004 and has only a limited volume of experience to use in evaluating rate levels;
- 2) As such, PSIC supplemented it's own historical experience with that of ISMIE. In doing so, PSIC assumed that the estimated expected loss and allocated loss adjustment expense for an Illinois physician reflected in the ISMIE rate filing effective October 1, 2008 is representative of the claims experience PSIC expects to incur on its Illinois book of business. See Exhibit 5 for details of the expected loss and ALAE pure premium derivation;

- 3) Based on a distribution of physicians by class in Illinois, we estimated overall weighted average relativities for PSIC's and ISMIE's class plans. Our analysis shows that, on an overall basis, ISMIE's pure premium should be decreased by 13.8% to offset the greater premium income to PSIC due to class plan differences. Exhibit 6 summarizes the details of this calculation;
- 4) Exhibit 7 compares the territorial plans of PSIC and ISMIE. Based on a distribution of physicians by county in Illinois, we estimated overall weighted average relativities for PSIC's and ISMIE's territorial plans on Exhibit 8. Our analysis shows that, on an overall basis, ISMIE's pure premium should be decreased by 6.0% to offset the greater premium income to PSIC due to territorial plan differences;
- 5) On Exhibit 9, we incorporate the class plan and territorial plan offsets. We also incorporate PSIC's unallocated loss adjustment expense (ULAE) costs and a provision for the cost associated with the PSIC's premium waiver benefit in the event of death, disability, or retirement (DDR);
- 6) The base rate indication is derived on Exhibit 10 and assumes a target combined ratio of 104.9%, broken down as follows:

PROVISION	RATIO
Loss & LAE Ratio	83.9%
Underwriting Expenses	21.0
Target Combined Ratio	104.9%

Several final points should be noted. First, we relied on data and information provided by PSIC and did not audit or independently verify other than for general reasonableness. Additionally, this analysis was prepared for PSIC's internal business use only and is not to be provided to any third party. We understand that PSIC intends to provide a copy of this letter to the Illinois Division of Insurance in support of its proposed rates and we permit such distribution. Finally, actuarial estimates of medical professional liability rates are subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement patterns, judicial decisions, legislation, etc. While the estimates contained herein represent our best professional judgment, it is not only possible, but in fact probable, that the ultimate cost of providing coverage may deviate, perhaps significantly, from our estimates.

Respectfully submitted,



Charles W. Mitchell, FCAS, MAAA
Consulting Actuary



Bradley J. Parker, ACAS, MAAA
Associate Actuary

CWM/BJP/bas

October 20, 2008

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**Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Claims-Made Coverage as of September 30, 2008
Gross of Reinsurance**

Illinois Premium at Current Rate Level

Report Year	Illinois Gross Earned Premium	Rate Change History	Current Rate Level Factor	Illinois Gross Earned Premium at Current Rate Level
2004	935,545		0.713	667,044
2005	3,932,413		0.713	2,803,810
2006	3,871,138	-28.7% ²	0.750	2,901,817
2007	3,144,187		0.966	3,038,034
2008 ¹	1,913,905		1.000	1,913,905
Total	13,797,188			11,324,610

¹ Reflects exposure through September 30, 2008.

² Effective June 1, 2006.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Claims-Made Coverage as of September 30, 2008
Gross of Reinsurance

Estimated Ultimate Loss & ALAE

	(1)	(2)	(3) = (1) * (2)	(4)	(5) = 1 - 1 / (4)	(6) = (3) * (5)	(7)	(8) = (6) + (7)
Report Year	Illinois Gross Earned Premium	Countrywide PSIC Gross Ultimate Loss Ratio	A Priori Ultimate Loss & ALAE	Countrywide Incurred Loss & ALAE Dev Factor	Expected % Unreported	Expected IBNR	Illinois Incurred Loss & ALAE	Indicated Illinois PSIC Gross Ultimate Loss & ALAE
2004	935,545	19.7%	184,741	1.042	4.0%	7,379	241,586	248,964
2005	3,932,413	67.1%	2,640,137	1.084	7.8%	205,633	933,270	1,138,903
2006	3,871,138	25.5%	988,484	1.160	13.8%	136,004	388,309	524,312
2007	3,144,187	108.6%	3,415,797	1.287	22.3%	761,978	718,194	1,480,171
2008 ¹	1,913,905	86.6%	1,656,789	2.355	57.5%	953,368	485,000	1,438,368
Total	13,797,188		8,885,949			2,064,362	2,766,357	4,830,719

¹ Reflects exposure through September 30, 2008.

Professional Solutions Insurance Company
 Illinois Physicians and Surgeons Professional Liability
 Claims-Made Coverage as of September 30, 2008
 Gross of Reinsurance

Estimated Ultimate Loss & ALAE Ratio at Current Rate Level

Report Year	Illinois Gross On-level Earned Premium	Indicated Illinois PSIC Gross Ultimate Loss & ALAE	Indicated Illinois PSIC Gross Ultimate Loss & ALAE Ratio
2004	667,044	248,964	37.3%
2005	2,803,810	1,138,903	40.6%
2006	2,901,817	524,312	18.1%
2007	3,038,034	1,480,171	48.7%
2008 ¹	1,913,905	1,438,368	75.2%
Total	11,324,610	4,830,719	42.7%
Selected Ultimate Loss & ALAE Ratio (Excluding DDR):			42.7%

¹ Reflects exposure through September 30, 2008.

Professional Solutions Insurance Company
 Illinois Physicians and Surgeons Professional Liability
 Claims-Made Coverage as of September 30, 2008
 Gross of Reinsurance

Estimated Rate Change Based on PSIC Experience ¹

Selected Ultimate Loss & ALAE Ratio at Current Rate Level (Excluding DDR):	42.7%
Permissible Loss & ALAE Ratio (Excluding DDR) - 5.0% Target Return on Surplus:	77.2%
Indicated Rate Change - 5.0% Target Return on Surplus:	-44.8%

¹ Reflects exposure through September 30, 2008.

**Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability**

Derivation of ISMIE Loss and ALAE Pure Premium

(1)	ISMIE Mutual Insurance Company (ISMIE) Filed \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Manual Rate (Effective October 1, 2008)	16,988
(2)	ISMIE Indicated Rate Change	-3.0%
(3)	ISMIE Filed Rate Change	-3.0%
(4)	ISMIE Indicated \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Manual Rate (Effective October 1, 2008); (1) * [1 + (2)] / [1 + (3)]	16,988
(5)	ISMIE Overall Average Credit	26.0% ¹
(6)	ISMIE Indicated \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Collected Rate, (Effective October 1, 2008); (4) x [1 - (5)]	12,571
(7)	ISMIE Target Loss and LAE Ratio (Including DDR)	84.3% ²
(8)	ISMIE ULAE Load at \$1,000,000 / \$3,000,000 Limits	4.5% ¹
(9)	ISMIE DDR Load at \$1,000,000 / \$3,000,000 Limits	5.2% ¹
(10)	ISMIE Target Loss and ALAE Ratio (Excluding DDR); (7) / [1 + (8)] / [1 + (9)]	76.6% ²
(11)	ISMIE Indicated Undiscounted Loss and ALAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Pure Premium, Excluding DDR (Effective October 1, 2008); (6) x (10)	9,635
(12)	Trend Factor to January 1, 2009 Effective Date at 4.0% Annual Trend	1.010
(13)	Trended to January 1, 2009 ISMIE Indicated Undiscounted Loss & ALAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made Family Practice - No Surgery, Remainder of State Pure Premium, Excluding DDR; (11) x (12)	9,732

¹ From ISMIE rate filing effective July 1, 2006

² Based on review of ISMIE premium and claims experience from Annual Statement as of December 31, 2007

**Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability**

Derivation of Class Plan Offset

PSIC Proposed Class	AMA Distribution of Physician Population	PSIC Proposed Relativity	Average ISMIE Relativity
1	3.6%	0.650	0.567
2	8.4%	0.850	0.764
3	22.6%	1.000	1.065
4	27.2%	1.250	1.004
5	7.7%	1.500	1.492
6	3.2%	1.650	1.533
7	3.7%	2.150	1.735
8	2.3%	2.500	1.730
9	7.4%	3.000	2.235
10	0.4%	3.350	2.167
11	0.9%	3.750	2.038
12	6.8%	4.500	4.078
13	4.9%	5.500	4.222
14	0.9%	6.750	6.953
Total	100.0%	1.872	1.613

Class Plan Offset (For ISMIE Proposed Relativities) = $1.613 / 1.872 = 0.862$.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability

Comparison of Territorial Rating Plans

PSIC Current	
Area	Relativity
Cook, Madison, and Saint Clair Counties	2.088
DuPage, Kane, Lake, McHenry, and Will Counties	1.546
Champaign, Macon, Jackson, Vermilion, Sangamon, DeKalb, Kankakee, Lasalle, Ogle, Randolph, and Winnebago Counties	1.364
Remainder of State	1.000

ISMIE	
Area	Relativity
Cook, Jackson, Madison, Saint Clair, and Will Counties	1.910
Vermilion County	1.728
Kane, Lake, McHenry, and Winnebago Counties	1.637
Kankakee County	1.455
Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, Lasalle, Macon, Ogle, and Randolph Counties	1.364
Grundy County	1.182
Adams, Knox, and Peoria Counties	0.909
Sangamon County	1.091
Rock Island County	0.909
Remainder of State	1.000

**Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability**

Derivation of Overall Average Territorial Plan Factors

County	Number of Physicians Based on AMA	Percentage of Total Physicians	PSIC Current Relativity	ISMIE Relativity
Adams	180	0.5%	1.000	0.909
Bureau	46	0.1%	1.000	1.364
Champaign	680	1.7%	1.364	1.364
Coles	87	0.2%	1.000	1.364
Cook	21,969	56.0%	2.088	1.910
DeKalb	99	0.3%	1.364	1.364
DuPage	4,297	11.0%	1.546	1.364
Effingham	80	0.2%	1.000	1.364
Grundy	52	0.1%	1.000	1.182
Jackson	195	0.5%	1.364	1.910
Kane	743	1.9%	1.546	1.637
Kankakee	179	0.5%	1.364	1.455
Knox	112	0.3%	1.000	0.909
Lake	2,537	6.5%	1.546	1.637
Lasalle	133	0.3%	1.364	1.364
Macon	281	0.7%	1.364	1.364
Madison	344	0.9%	2.088	1.910
McHenry	414	1.1%	1.546	1.637
Ogle	38	0.1%	1.364	1.364
Peoria	963	2.5%	1.000	0.909
Randolph	38	0.1%	1.364	1.364
Rock Island	319	0.8%	1.000	0.909
Saint Clair	545	1.4%	2.088	1.910
Sangamon	1,060	2.7%	1.364	1.091
Vermilion	149	0.4%	1.364	1.728
Will	756	1.9%	1.546	1.910
Winnebago	826	2.1%	1.364	1.637
Remainder of State	2,118	5.4%	1.000	1.000
Total	39,240	100.0%	1.790	1.683
Overall Average Territorial Plan Factors Relative to PSIC				0.940

**Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability**

Selection of PSIC Mature Claims-Made Loss & LAE Pure Premium

(1) a)	Trended to January 1, 2009 ISMIE, Undiscounted Loss & ALAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Pure Premium, Statewide Pure Premium, Excluding DDR	9,732
b)	ISMIE Pure Premium Adjustment to Reflect PSIC Class Plan	0.862
c)	ISMIE Pure Premium Adjustment to Reflect PSIC Territorial Plan	0.940
d)	Indicated (from ISMIE) PSIC Undiscounted Loss & ALAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Statewide Pure Premium (Excluding DDR); (1.a.) x (1.b.) x (1.c.)	7,887
(2) a)	Selected PSIC Undiscounted Loss & ALAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Statewide Pure Premium (Excluding DDR);	7,887
b)	PSIC ULAE Load at \$1,000,000 / \$3,000,000 Limits	4.5%
c)	PSIC DDR Load	4.0%
d)	PSIC Undiscounted Loss & LAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Statewide Pure Premium (Including DDR); (2.a.) x [1 + (2.b.)] x [1 + (2.c.)]	8,571

**Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability**

***Derivation of Mature Claims-Made Remainder of State Rate
Target Return on Surplus of 5.0%***

(1) PSIC Undiscounted Loss & LAE, \$1,000,000 / \$3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Pure Premium (Including DDR)	8,571
(2) PSIC Target Combined Ratio	
a) Loss & LAE Ratio (Including DDR)	83.9%
b) Expense Ratio	<u>21.0%</u>
c) Target Combined Ratio	104.9%
(3) Indicated PSIC Mature Claims-Made Family Practice - No Surgery, Remainder of State Collected Rate, \$1,000,000 / \$3,000,000 Limits, Effective January 1, 2009; (1) / (2a)	10,213
(4) Assumed Overall Average Credit	15.0%
(5) Indicated PSIC Mature Claims-Made Family Practice - No Surgery, Remainder of State Manual Rate, \$1,000,000 / \$3,000,000 Limits, Effective January 1, 2009; (3) / [1 - (4)]	12,015
(6) PSIC Current Rate	14,500
(7) Indicated Manual Rate Change - Competitor Pure Premium Method (5) / (6) - 1	-17.1%
(8) Indicated Manual Rate Change - PSIC Based Loss Ratio Method	-44.8%
(9) Credibility Factor - Historical PSIC Loss Experience	10.0% ¹
(10) Credibility Weighted Indicated Manual Rate Change; (7)*[1-(9)] + (8)*(9)	-19.9%
(11) Credibility Weighted Indicated Manual Rate; (6) * [1 + (10)]	11,614

¹ 10% credibility given to historical PSIC loss experience - judgmentally selected

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

**PHYSICIAN PROFESSIONAL LIABILITY
ACTUARIAL ANALYSIS OF DEDUCTIBLE CREDITS
EFFECTIVE NOVEMBER 1, 2007**

This memorandum has been prepared in support of Professional Solutions Insurance Company's (PSIC) rate filing effective November 1, 2007 for physicians and surgeons professional liability (PPL) coverage. In this filing, PSIC has included a new option to allow insureds to retain a deductible on their claims. This filing documents the selection of deductible premium credits.

Due to a lack of significant PSIC-specific premium and claims experience for this program, we have reviewed the most recent available rate filings of a number of large writers of PPL coverage. Exhibit 1 summarizes the competitor deductible credits along with the selected credits to be used by PSIC. The selected credits are applicable to the \$1 million/\$3 million policy limit rate regardless of the purchased limits of coverage. Exhibit 2 incorporates PSIC's increased limits factors to convert these deductible credits to deductible factors applicable to the rate for the purchased policy limits.

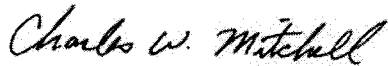
Several final points should be noted. First, we relied on information obtained from insurance rate filings and did not audit or independently verify other than for general reasonableness. Additionally, our analysis was prepared for PSIC's internal business use only and is not to be provided to any third party. We understand that PSIC intends to provide a copy of this letter to various state insurance departments in support of their rate filings and we permit such distribution. Finally, any medical professional liability rating factor is subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement

patterns, judicial decisions, legislation, etc. While the selected deductible credits contained herein represent our best professional judgment, it is not only possible, but in fact probable, that the ultimate deductible cost savings will deviate, perhaps significantly, from those implied by the selected credits.

Respectfully submitted,



Chad C. Karls, F.C.A.S., M.A.A.A.
Consulting Actuary



Charles W. Mitchell, F.C.A.S., M.A.A.A.
Actuary

CCK/CWM/vld

October 5, 2007

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PROFESSIONAL SOLUTIONS INSURANCE COMPANY
PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY

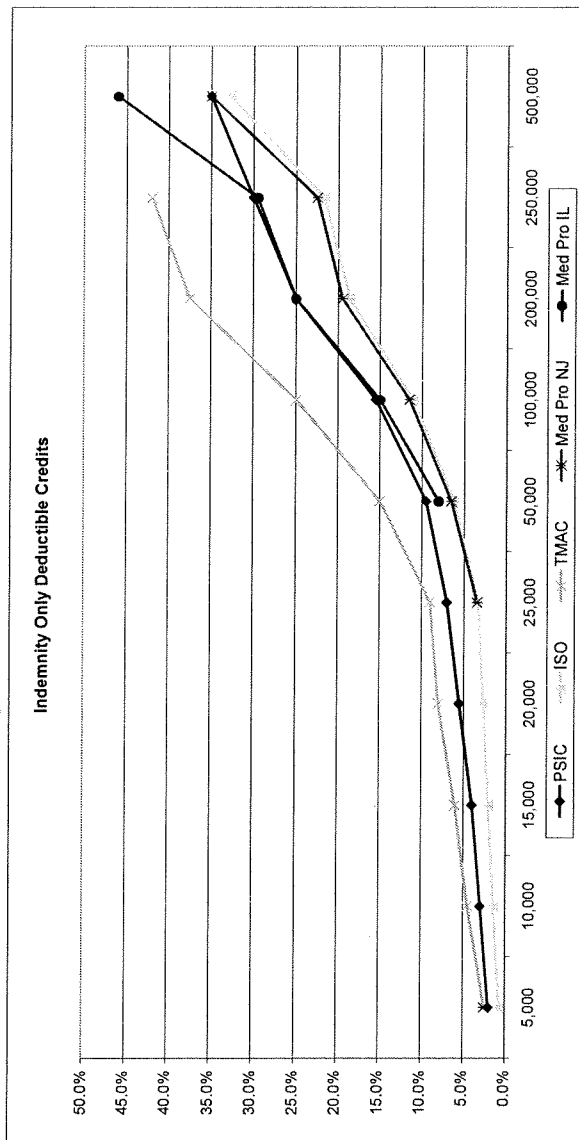
SELECTION OF INDEMNITY ONLY DEDUCTIBLE CREDITS ¹

Competitor:	TMAC	Med Pro	Med Pro	ISO	Milliman
State:	Ohio	New Jersey	Illinois	Hawaii	Selected
Effective Date:	5/1/2007	5/1/2005	1/1/2007	8/1/2007	Average
Deductible					
5,000	2.5%	2.5%		0.7%	1.9%
10,000	4.5%			1.4%	2.9%
15,000	6.0%			2.0%	4.0%
20,000	8.0%			2.7%	5.5%
25,000	9.0%	3.5%		3.3%	7.0%
50,000	15.0%	6.5%	8.0%	6.2%	9.5%
100,000	25.0%	11.5%	15.0%	11.1%	15.5%
200,000	37.5%	19.5%	25.0%	18.7%	25.2%
250,000	42.0%	22.5%	29.5%	21.7%	30.0%
500,000		35.0%	46.0%	32.8%	37.9%

¹ Applicable to \$1M/\$3M rate

² Credits given are the average of the range filed by Med Pro

³ Average of physician and surgeon credits



PROFESSIONAL SOLUTIONS INSURANCE COMPANY
PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY

SUMMARY OF DEDUCTIBLE CREDITS

Policy Limits	<i>Deductible Factors - Loss Only (Per Claim / Annual Aggregate)</i>													
	\$5,000/ \$15,000	\$10,000/ \$30,000	\$15,000/ \$45,000	\$20,000/ \$60,000	\$25,000/ \$75,000	\$50,000/ \$150,000	\$100,000/ \$300,000	\$200,000/ \$600,000	\$250,000/ \$750,000	\$500,000/ \$1,500,000				
\$100,000/\$300,000	0.956	0.933	0.911	0.878	0.844	0.789	N/A	N/A	N/A	N/A				
\$200,000/\$600,000	0.967	0.950	0.933	0.908	0.883	0.841	0.741	N/A	N/A	N/A				
\$250,000/\$750,000	0.969	0.954	0.938	0.915	0.892	0.854	0.761	0.615	N/A	N/A				
\$500,000/\$1,000,000	0.975	0.963	0.950	0.931	0.913	0.881	0.806	0.688	0.625	N/A				
\$1,000,000/\$3,000,000	0.980	0.970	0.960	0.945	0.930	0.905	0.845	0.750	0.700	0.650				
\$2,000,000/\$4,000,000	0.984	0.976	0.967	0.955	0.943	0.922	0.873	0.796	0.755	0.714				

Filing: 06-12845
Only Original

Florida Department of Financial Services

September 27, 2006

Oscar Baltadano
Florida Department of Insurance
Property and Casualty Section
200 East Gaines Street
Tallahassee, FL 32399

RE: ProNational Insurance Company – NAIC 38954
Physicians and Surgeons Medical Professional Liability
Rates and Rules Filing – Effective February 1, 2007

Dear Mr. Baltadano:

I submit for your review and approval revisions to the rates and rules for the captioned program. I request the effective date of February 1, 2007 for this submission.

The enclosed Filing Memorandum and its exhibits should fully explain the changes being made to the development of the rates. Revisions have also been made to allow coverage for partnerships, corporations or professional associations at separate corporate limits for \$1M/\$3M, \$500K/\$1.5M and \$250K/\$750K. Please refer to page 21 for this amendment.

I believe you will find everything in order. If you have any questions or need anything further, please do not hesitate to contact me at (800) 282-6242, ext. 4426, or e-mail me at lgoodwin@proassurance.com.

Sincerely,

LaQuita B. Goodwin
Compliance Specialist

Enclosures

**FLORIDA OFFICE OF INSURANCE REGULATION
BUREAU OF PROPERTY AND CASUALTY FORMS AND RATES
FLORIDA EXPENSE SUPPLEMENT FOR INDEPENDENT RATE FILINGS**

COMPANY NAME (GROUP) ProNational Insurance Company **DATE** 09/08/06

- 1) Combination to which this page applies Medical Malpractice, Physicians and Surgeons
(Line, Subline, Coverage, Territory, Class, etc.)
- 2) Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information).
- | | |
|---|---------|
| A. Commission and Brokerage | 1.10 % |
| B. Other Acquisition | 0.00 % |
| C. General Expense (Including Fixed Expense Portion) | 8.50 % |
| D. Premium taxes | 3.00 % |
| E. Miscellaneous licenses and fees, other taxes | 0.00 % |
| F. Other expenses | 0.00 % |
| G. Expected Profit Margin & Contingency Factor | -4.20 % |
| (per Florida Rule 4-170.003) [See Exhibit 10 of the rate filing for calculation.] | |
| H. TOTAL (Expected Expense Ratio) | 8.40 % |
- 3) Expected Loss Ratio: $ELR = 100\% - 3H =$ 91.60 %
- 4) Current Number of Policies in Force: 1,629
- 5) Florida Rate Filing History:

	Latest Calendar/Accident Year				Rate Change Approved	New Bus. Effective Date	Renewal Effective Date
	Rate Change Requested	Rate Level Indication	Incurred Loss Ratio	Earned Premium Volume			
New Filing	-8.6 %	-8.6 %	75.3 %	\$ 57,492,317	%	02/01/2007	02/01/2007
					(Includes Presumed Factor to Reflect Tort Reform and E/R Adjustment)		
1st Prior Filing	+0.5 %	+1.9 %	50.8 %	\$ 65,466,110	+0.5 %	02/01/06	02/01/06
					(Includes Presumed Factor to Reflect Tort Reform and E/R Adjustment)		
2nd Prior Filing	+6.4 %	+6.4 %	72.0 %	\$ 52,248,536	+6.4 %	01/01/05	01/01/05
					(Includes Presumed Factor to Reflect Tort Reform)		

OIR-B1-595
Rev. 7/03

ProNational Insurance Company

**Physicians and Surgeons Professional Liability
Filing Memorandum**

Florida

This memorandum and the attached exhibits summarize a proposed revision to physicians and surgeons professional liability rates for ProNational Insurance Company (PN), in the state of Florida. The overall impact of this rate filing is an approximate -8.6% rate change. Rates are developed for annual policies to be effective during the 2/1/2007-1/31/2008 period. While we believe that the Presumed Factor to reflect the effect of the tort reform legislation that was effective September 15, 2003 was only to apply to 2003 filings, and eventually the impact of the tort reform will be reflected in the actual loss experience, for this current filing we are proposing to continue utilizing the factors, as adopted in our prior analyses, to reflect the impact of the Florida tort reform. In addition, we are proposing to continue to reflect the additional considerations afforded to Emergency Medicine physicians by the same tort reform legislation. The overall impact on our current inforce book of business due to the tort reform legislation is a 5.3% reduction in the proposed rate level. The impact for Emergency Room physicians is a 3.3% reduction in the proposed rate level. In the event that the tort reform legislation is overturned as a consequence of a constitutional challenge, the analysis will be reviewed and PN may submit a separate filing at that time.

Indications were analyzed for PN's claims-made book of business at \$250,000/\$750,000 limits. Note that data excludes punitive damage awards.

The minimum rate change that any existing policyholder will experience will be -8.7%. The maximum rate change that any existing policyholder will experience will be -7.7%.

All other rating factors remain the same as those underlying the current rates. The method used to calculate the indicated ultimate loss and ALAE amounts has been changed. These changes are contained on Exhibit 3. Otherwise, the analysis remains unchanged from the previous rate analysis, as approved by the Florida OIR and effective 02/01/06.

The company believes this filing demonstrates that the proposed rates are not excessive, inadequate or unfairly discriminatory. The company understands that pursuant to section 627.062, Florida Statutes, the Office of Insurance Regulation may request additional information necessary to evaluate the proposed rates in accordance with the factors set forth in the statute. If the Office of Insurance Regulation requires further information to evaluate the filing, the company will respond as promptly as possible.

Exhibit 1 - Calculation Indicated \$250,000/\$750,000 Mature Claims-Made Rate Change

Shows the calculation to produce the proposed average manual rate by applying the class relativity, the territory relativity, the maturity relativity, the increased limit relativity, the unallocated loss adjustment expense load, the death, disability and retirement load, the off-balance factor for premium discounts, the fixed expenses and the variable expenses to the indicated pure premium from Exhibit 2.

Exhibit 2 - Indicated Pure Premium

Calculates the loss experience for PN for the state of Florida and selects an indicated pure premium for loss and loss adjustment expenses.

Exhibit 3 - Selection of Ultimate Losses at \$250,000/\$750,000 Limits

Utilizes various actuarial methodologies to estimate the ultimate losses by report year for PN's claims-made book of physicians and surgeons medical malpractice liability business. Methods used are the development techniques on paid and reported losses and ALAE, Bornhuetter-Ferguson development techniques on paid and reported losses and ALAE, and frequency and severity methods on paid and reported losses and ALAE.

Exhibit 4 - Indicated Pure Premium Trend

ProNational Insurance Company

**Physicians and Surgeons Professional Liability
Filing Memorandum**

Florida

Calculates the average annual loss trend rate, utilizing historical loss experience at \$250,000/\$750,000 limits and historical exposure information in the state of Florida, supplemented with industry information as compiled by the Insurance Services Office, with their permission.

Exhibit 5 - Calculation of Class Off-Balance Factor

Calculates the average class relativity, utilizing the current limits factors and the distribution of Florida insureds.

Exhibit 6 - Calculation of Territory Off-Balance Factor

Calculates the average territory relativity, utilizing the current limits factors and the distribution of Florida insureds.

Exhibit 7 - Calculation of Average Increased Limits Factor

Calculates the average increased limit factor, utilizing the current limits factors and the distribution of Florida insureds.

Exhibit 8 - Calculation of Average Maturity Factor

Calculates the average maturity factor, utilizing the current limits factors and the distribution of Florida insureds.

Exhibit 9 - Indicated ULAE Load - ProAssurance Group of Companies

Calculates the indicated load for Unallocated Loss Adjustment Expenses based on historic Insurance Expense Exhibits for the ProAssurance group of companies.

Exhibit 10 - Permissible Loss Ratio Reflecting Investment Income

Calculates the variable expense load and permissible loss ratio for PN based on Florida statutes.

Exhibit 11 - Development of Present Value Factors

Presents the calculation of discount (present value) factors based on an expected interest rate of 4.25%. Selected rate of return is based on 8/2006 U.S. Treasury Bond yields for maturities corresponding to loss payment pattern.

Exhibit 12 - Rate Tables

Rates are shown by class, by claims-made year, by limit and by territory for claims-made coverage and for reporting endorsement coverage.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Calculation Indicated \$250,000/\$750,000 Mature Claims-Made Rate Change

Florida

(1)	Mature Base Class, Base Territory \$250,000/\$750,000 Limits Mature Claims-Made Pure Premium Effective 02/01/2007: [Exhibit 2]	11,875
(2)	Unallocated Loss Adjustment Expense Loading Factor: [Exhibit 9]	1.095
(3)	Mature Base Class, Base Territory \$250,000/\$750,000 Limits Mature Claims-Made Loss and LAE Pure Premium Effective 02/01/2007: [(1)x(2)]	13,003
(4)	Proposed Average Territory, Class, Step, and Increased Limits Factor	1.750
(5)	Average Adjusted Pure Premium: [(3) x (4)]	22,761
(6)	Fixed Expense Provision	475
(7)	Variable Expense Load (Excluding Fixed Expense): [Exhibit 10 Item (12), Less Fixed Expense %]	0.069
(8)	Death, Disability and Retirement Loading	0.050
(9)	Off-Balance for Premium Discount Programs	0.175
(10)	Off-Balance for Class Plan Change: [Exhibit 5]	1.000
(11)	Off-Balance for Territory Plan Change: [Exhibit 6]	1.000
(12)	Implied Average Rate Under Proposed Class Plan, Excluding Impact of Tort Reform: $\frac{[(5) \times (10) \times (11)] + (6)}{[(1.00 - (7) - (8)) \times (1.00 - (9))]}$	31,969
(13)	Current Average Manual Rate, Excluding Tort Reform Impact Factor	34,965
(14)	Overall Indicated Average Rate Change: [(12) / (13) - 1.0]	-8.6%
(15)	Selected Rate Change	-8.6%

Notes: (4) Calculated from currently inforce book of business.
 (6),(9) Judgmentally selected based on historical experience for PN. Remain unchanged from prior analysis.
 (8) From data underlying 12/31/2005 Annual Statement for PN. Remains unchanged from prior analysis.
 (13) Calculated from currently inforce book of business.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Indicated Pure Premium
Claims-Made Basis
Florida

(Excluding Tail Experience)

Report Year	Ultimate \$250K/\$750K Limits Loss and ALAE (000's) [Exhibit 3]	Mature Base Class Base Terr. Exposure	Indicated \$250K/\$750K Limits Pure Premium (2)/(3)	Trend to 02/01/2007 Effective	Indicated \$250K/\$750K Limits Pure Premium at 02/01/2007 (4)x(5)
(1)	(2)	(3)	(4)	(5)	(6)
1990	56,610	10,355	5,467	2.564	14,017
1991	73,909	10,786	6,853	2.430	16,653
1992	68,125	11,118	6,127	2.303	14,110
1993	73,810	11,366	6,494	2.183	14,176
1994	77,743	11,243	6,915	2.069	14,307
1995	85,758	10,555	8,125	1.962	15,941
1996	69,168	8,321	8,313	1.859	15,454
1997	60,213	6,605	9,116	1.762	16,062
1998	51,930	6,614	7,852	1.670	13,113
1999	48,183	6,507	7,404	1.583	11,721
2000	48,378	5,941	8,143	1.501	12,223
2001	40,260	5,087	7,915	1.423	11,263
2002	42,105	4,288	9,820	1.348	13,237
2003	33,950	4,073	8,335	1.278	10,652
2004	25,338	3,598	7,042	1.211	8,528
2005	27,503	2,951	9,320	1.148	10,699
2006H1	16,628	1,370	12,138	1.103	13,388
Total/Avg.	899,606	120,776	7,449		13,760

(7) Indicated Averages

(a) Latest 8 Years Simple Average	11,464
(b) Latest 4 Years Simple Average	10,817
(c) Linear Forecast, Based on 1998-2006	9,076
(d) Linear Forecast, Based on 2004-2006	16,152

(8) Selected Pure Premium: [Average of (a) to (d), rounded to nearest \$5] 11,875

Notes: (3) Actual historical exposures for PN's, assuming current territory and class plans.
Reflects earned exposures by year, adjusted to a base maturity, base territory,
and base class basis.

(5) Assumes a 5.5% trend rate. Trend rate is as selected in Exhibit 4, Sheet 1.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Selection of Ultimate Losses at \$250,000/\$750,000 Limits
Claims-Made Basis
Florida

Report Year (1)	\$250,000/\$750,000 Limits									
	Bornhuetter-Ferguson			Frequency/Severity			Development Methods			Initial
	Paid [Sheet 2] (2)	Reported [Sheet 3] (3)	Paid [Sheet 4] (4)	Reported [Sheet 5] (5)	Paid Loss & ALAE [Sheet 7] (6)	Reported Loss & ALAE Separately [Sheet 9] (7)	Reported Loss & ALAE Combined [Sheet 12] (8)	Expected Ultimate Loss&ALAE @03/31/06 (9)	Selected Ultimate Loss&ALAE (10)	
1990	56,563,679	56,563,679	56,729,892	56,729,892	56,563,679	56,563,680	56,563,679	56,560,126	56,610,000	
1991	73,908,546	73,908,546	74,014,592	74,014,592	73,908,546	73,908,546	73,908,546	73,904,000	73,908,546	
1992	68,069,219	68,306,109	67,786,829	68,023,423	68,068,532	68,306,109	68,306,109	68,688,406	68,125,000	
1993	73,661,429	73,719,714	74,098,542	74,136,804	73,660,942	73,678,246	73,719,708	73,651,732	73,810,000	
1994	77,625,801	78,005,059	77,325,173	77,677,554	77,618,804	77,941,726	78,003,322	78,755,059	77,742,500	
1995	85,319,560	85,966,666	85,660,259	86,257,435	85,303,659	85,832,073	85,964,626	86,856,055	85,757,500	
1996	68,039,840	70,123,689	67,865,762	69,952,127	68,001,644	70,060,894	70,123,478	71,018,880	69,167,500	
1997	59,729,241	60,672,347	59,545,148	60,505,887	59,701,608	60,657,448	60,672,294	60,858,388	60,212,500	
1998	50,578,131	52,853,007	50,725,107	53,098,364	50,507,123	52,887,474	52,852,888	52,444,140	51,930,000	
1999	47,401,439	48,651,247	47,499,898	48,977,006	47,268,891	48,838,644	48,638,986	49,773,196	48,182,500	
2000	45,634,336	50,303,790	45,314,443	50,845,926	45,171,956	51,079,881	50,292,210	51,327,785	48,377,500	
2001	37,438,640	42,281,563	36,383,947	43,156,351	36,342,743	43,944,513	42,270,441	45,262,344	40,260,000	
2002	37,056,271	46,669,568	33,455,294	47,777,211	33,655,946	49,453,300	46,674,222	50,426,829	42,105,000	
2003	31,608,452	37,700,623	25,055,489	39,614,738	25,323,283	40,637,302	37,708,063	42,579,446	33,950,000	
2004	30,026,106	20,651,348	12,511,354	24,592,398	10,529,722	21,199,519	19,578,595	42,752,934	25,337,500	
2005	33,264,185	21,741,502	11,310,373	28,327,326	5,403,788	17,077,760	16,988,260	38,491,819	27,502,500	
2006H1	16,854,976	16,400,797	3,554,006	9,020,684	2,899,423	11,510,477	11,520,266	33,937,811	16,627,500	
Total	892,779,850	904,519,255	828,836,108	912,707,718	819,930,289	903,577,592	893,785,693	977,288,948	899,606,046	
90-05	875,924,875	888,118,457	825,282,102	903,687,034	817,030,866	892,067,115	882,265,427	943,351,137	882,978,546	

Notes: (9) Values underlying PN's March 2006 reserves. Reflects ultimate loss estimates for PN physicians and surgeons business in the state of Florida.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Bornhuetter-Ferguson Projection Method - Paid Basis
Claims-Made Basis
Florida

Report Year (1)	Initial Expected Ultimate Loss&ALAE (2)	\$250,000/\$750,000 Limits				Actual Paid Loss&ALAE @06/30/2006 (5)	Indicated Ultimate Loss&ALAE (4)+(5) (6)
		Expected Percent Paid @06/30/2006 (3)	Expected Unpaid Loss&ALAE @06/30/2006 (4)				
1990	56,560,126	100.0%	0	56,563,679	56,563,679	56,563,679	
1991	73,904,000	100.0%	0	73,908,546	73,908,546	73,908,546	
1992	68,688,406	99.9%	68,688	68,000,531	68,069,219	68,069,219	
1993	73,651,732	99.7%	220,955	73,440,474	73,440,474	73,661,429	
1994	78,755,059	99.5%	393,775	77,232,026	77,232,026	77,625,801	
1995	86,856,055	99.2%	694,848	84,624,712	84,624,712	85,319,560	
1996	71,018,880	98.9%	781,208	67,258,632	67,258,632	68,039,840	
1997	60,858,388	98.4%	973,734	58,755,507	58,755,507	59,729,241	
1998	52,444,140	97.4%	1,363,548	49,214,583	49,214,583	50,578,131	
1999	49,773,196	95.4%	2,289,567	45,111,872	45,111,872	47,401,439	
2000	51,327,785	92.4%	3,900,912	41,733,424	41,733,424	45,634,336	
2001	45,262,344	87.8%	5,522,006	31,916,634	31,916,634	37,438,640	
2002	50,426,829	79.8%	10,186,220	26,870,051	26,870,051	37,056,271	
2003	42,579,446	63.6%	15,498,918	16,109,534	16,109,534	31,608,452	
2004	42,752,934	39.5%	25,865,525	4,160,581	4,160,581	30,026,106	
2005	38,491,819	15.8%	32,410,111	854,074	854,074	33,264,185	
2006H1	33,937,811	0.8%	33,666,308	43,643	43,643	16,854,976	
Total	977,288,948		133,836,323	775,798,503	775,798,503	892,779,850	

Notes: (2) Values underlying PN's March 2006 reserves. Reflects ultimate loss estimates for PN physicians and surgeons business in the state of Florida.
(3) = 1.0 / Column (3) from Sheet 7.
(4) = (2) x [1.0-(3)].
(5) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.
(6) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Bornhuetter-Ferguson Projection Method - Reported Basis
Claims-Made Basis
Florida

Report Year (1)	Initial Expected Ultimate Loss&ALAE (2)	\$250,000/\$750,000 Limits				Actual Reported Loss&ALAE @06/30/2006 (5)	Indicated Ultimate Loss&ALAE (4)+(5) (6)
		Expected Percent Reported @06/30/2006 (3)	Expected Unreported Loss&ALAE @06/30/2006 (4)				
1990	56,560,126	100.0%			56,563,679	56,563,679	
1991	73,904,000	100.0%	0		73,908,546	73,908,546	
1992	68,688,406	100.0%	0		68,306,109	68,306,109	
1993	73,651,732	99.9%		73,652	73,646,062	73,719,714	
1994	78,755,059	99.8%		157,510	77,847,549	78,005,059	
1995	86,856,055	99.8%		173,712	85,792,954	85,966,666	
1996	71,018,880	100.0%		0	70,123,689	70,123,689	
1997	60,858,388	100.2%		(121,717)	60,794,064	60,672,347	
1998	52,444,140	99.9%		52,444	52,800,563	52,853,007	
1999	49,773,196	99.2%		398,186	48,253,061	48,651,247	
2000	51,327,785	99.2%		410,622	49,893,168	50,303,790	
2001	45,262,344	99.7%		135,787	42,145,776	42,281,563	
2002	50,426,829	100.2%		(100,854)	46,770,422	46,669,568	
2003	42,579,446	100.2%		(85,159)	37,785,782	37,700,623	
2004	42,752,934	95.4%		1,966,635	18,684,713	20,651,348	
2005	38,491,819	77.9%		8,506,692	13,234,810	21,741,502	
2006H1	33,937,811	10.4%		30,408,279	2,393,316	16,400,797	
Total	977,288,948			41,975,789	878,944,263	904,519,255	

Notes: (2) Values underlying PN's March 2006 reserves. Reflects ultimate loss estimates for PN physicians and surgeons business in the state of Florida.
(3) = 1.0 / Column (3) from Sheet 12.
(4) = (2) x [1.0-(3)].
(5) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.
(6) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Average Paid Frequency/Severity Projection Method
Claims-Made Basis
Florida

Report Year	Base Class Territory Exposure	Reported Claim Count Excl. CNP @06/30/2006	Factor to Ultimate [Sheet 6]	Ultimate Claim Count (3)x(4)	Indicated Ultimate Frequency (5)/(2)	Selected Ultimate Frequency (7)	Average Ultimate Paid Severity (8)	Trended 2008 Severity (9)	Selected Ultimate Severity (10)	Indicated Ultimate Loss&ALAE (2)x(7) x(10) (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1990	10,355	795	1.000	795	0.077	0.077	71,149	36,019	71,149	56,729,892
1991	10,786	937	1.000	937	0.087	0.087	78,878	38,000	78,878	74,014,592
1992	11,118	882	1.000	882	0.079	0.079	77,175	40,090	77,175	67,786,829
1993	11,366	870	1.000	870	0.077	0.077	84,668	42,295	84,668	74,098,542
1994	11,243	948	1.000	948	0.084	0.084	81,876	44,621	81,876	77,325,173
1995	10,555	925	1.000	925	0.088	0.088	92,220	47,075	92,220	85,660,259
1996	8,321	717	1.000	717	0.086	0.086	94,842	49,664	94,842	67,865,762
1997	6,605	649	1.000	649	0.098	0.098	91,990	52,396	91,990	59,545,148
1998	6,614	619	1.000	619	0.094	0.094	81,595	55,278	81,595	50,725,107
1999	6,507	531	1.000	531	0.082	0.082	89,019	58,318	89,019	47,499,898
2000	5,941	533	1.000	533	0.090	0.090	84,750	61,525	84,750	45,314,443
2001	5,087	503	1.000	503	0.099	0.099	72,252	64,909	72,252	36,383,947
2002	4,288	358	1.000	358	0.083	0.083	94,011	68,479	94,011	33,455,294
2003	4,073	316	0.996	315	0.077	0.077	80,391	72,245	79,886	25,055,489
2004	3,598	123	0.988	122	0.034	0.041	86,309	76,219	84,816	12,511,354
2005	2,951	127	0.983	125	0.042	0.062	43,230	80,411	61,821	11,310,373
2006H1	1,370	56	1.966	55	0.040	0.069	52,717	84,834	75,199	3,554,006
Total	120,776	9,889		9,884	0.082	0.082	82,955			828,836,108

Selected for 2008

89,500

- Notes: (2) Actual historical exposures for PN's, assuming current territory and class plans. Reflects earned exposures by year, adjusted to a base maturity, base territory, and base class basis.
(3) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.
(5) Value for 2006H1 has been adjusted to reflect only six months of exposure.
(7) Weighted average of indicated frequency by year, and the indicated total frequency for 1990 through 2006H1, where the weight is based on the lag pattern indicated by historical experience.
(8) Average of \$250,000 limits ultimate loss result from Sheet 7 divided by Column (5). 2008 selected based on linear trend and the values for 1990 through 2004.
(9) Assumes a 5.5% trend rate.
(9) Assumes a 5.5% trend rate.
(11) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Average Incurred Frequency/Severity Projection Method
Claims-Made Basis
Florida

Report Year	Base Class Territory Exposure	Reported Claim Count Excl. CNP @06/30/2006	Factor to Ultimate (Sheet 6)	Ultimate Claim Count (3)x(4)	Indicated Ultimate Frequency (5)/(2)	Selected Ultimate Frequency (7)	Average Ultimate Incurred Severity (8)	Trended 2008 Severity (9)	Selected Ultimate Severity (10)	Indicated Ultimate Loss&ALAE (2)x(7) x(10) (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1990	10,355	795	1.000	795	0.077	0.077	71,149	77,673	71,149	56,729,892
1991	10,786	937	1.000	937	0.087	0.087	78,878	81,945	78,878	74,014,592
1992	11,118	882	1.000	882	0.079	0.079	77,445	86,452	77,445	68,023,423
1993	11,366	870	1.000	870	0.077	0.077	84,711	91,207	84,711	74,136,804
1994	11,243	948	1.000	948	0.084	0.084	82,249	96,223	82,249	77,677,554
1995	10,555	925	1.000	925	0.088	0.088	92,863	101,515	92,863	86,257,435
1996	8,321	717	1.000	717	0.086	0.086	97,758	107,098	97,758	69,952,127
1997	6,605	649	1.000	649	0.098	0.098	93,474	112,988	93,474	60,505,887
1998	6,614	619	1.000	619	0.094	0.094	85,412	119,202	85,412	53,098,364
1999	6,507	531	1.000	531	0.082	0.082	91,787	125,758	91,787	48,977,006
2000	5,941	533	1.000	533	0.090	0.090	95,096	132,675	95,096	50,845,926
2001	5,087	503	1.000	503	0.099	0.099	85,701	139,972	85,701	43,156,351
2002	4,288	358	1.000	358	0.083	0.083	134,256	147,670	134,256	47,777,211
2003	4,073	316	0.996	315	0.077	0.077	124,358	155,792	126,307	39,614,738
2004	3,598	123	0.988	122	0.034	0.041	167,123	164,361	166,715	24,592,398
2005	2,951	127	0.983	125	0.042	0.062	136,264	173,401	154,833	28,327,326
2006H1	1,370	56	1.966	55	0.040	0.069	209,370	182,938	190,868	9,020,684
Total	120,776	9,889		9,884	0.082	0.082	90,923			912,707,718

Selected for 2008

193,000

- Notes:
- (2) Actual historical exposures for PN's, assuming current territory and class plans. Reflects earned exposures by year, adjusted to a base maturity, base territory, and base class basis.
 - (3) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.
 - (5) Value for 2006H1 has been adjusted to reflect only six months of exposure.
 - (7) Weighted average of indicated frequency by year, and the indicated total frequency for 1990 through 2006H1, where the weight is based on the lag pattern indicated by historical experience.
 - (8) Average of \$250,000 limits ultimate loss result from Sheet 12 and Sheet 9 divided by Column (5). 2008 selected based on linear trend and the values for 2000 through 2006H1.
 - (9) Assumes a 5.5% trend rate.
 - (10) Weighted average of columns (8) and (9), where the weight is derived based on the indicated lag pattern.
 - (11) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Reported Claim Counts, Excluding Claims Closed with No Payment
Claims-Made Basis
Florida

RY	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198
1990	436	848	823	800	795	795	796	793	793	793	794	794	795	795	795	795	795
1991	514	963	933	932	933	934	934	934	934	934	936	937	937	937	937	937	937
1992	503	921	890	882	884	881	880	880	880	880	882	882	882	882	882	882	882
1993	447	917	877	872	870	872	870	870	870	870	870	870	870	870	870	870	870
1994	517	984	955	952	951	948	948	948	948	948	948	948	948	948	948	948	948
1995	510	977	940	936	930	926	925	925	925	925	925	925	925	925	925	925	925
1996	396	761	740	727	724	721	718	718	717	717	717	717	717	717	717	717	717
1997	369	654	658	654	653	651	649	649	649	649	649	649	649	649	649	649	649
1998	381	655	631	621	622	619	618	619	619	619	619	619	619	619	619	619	619
1999	300	568	547	538	533	531	531	531	531	531	531	531	531	531	531	531	531
2000	315	556	542	542	533	533	533	533	533	533	533	533	533	533	533	533	533
2001	287	473	508	500	501	503	503	503	503	503	503	503	503	503	503	503	503
2002	174	387	363	360	358												
2003	128	320	318	316													
2004	63	120	123														
2005	64	127															
2006	56																

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	1.945	0.971	0.972	0.994	1.000	1.001	0.996	1.000	1.000	1.001	1.000	1.001	1.000	1.000	1.000	1.000	1.000
1991	1.874	0.969	0.999	1.001	1.001	1.000	1.000	1.000	1.000	1.002	1.001	1.000	1.000	1.000	1.000	1.000	1.000
1992	1.831	0.966	0.991	1.002	0.997	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1993	2.051	0.956	0.994	0.998	1.002	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1994	1.903	0.971	0.997	0.999	0.997	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1995	1.916	0.962	0.996	0.994	0.996	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	1.922	0.972	0.982	0.996	0.996	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.881	0.948	0.994	0.998	0.997	0.997	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.719	0.963	0.984	1.002	0.995	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.893	0.963	0.984	0.991	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000	1.765	0.975	1.000	0.983	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.648	1.074	0.984	1.002	1.004												
2002	2.224	0.938	0.992	0.994													
2003	2.500	0.994	0.994														
2004	1.905	1.025															
2005	1.984																

V-All	1.901	0.971	0.990	0.997	0.998	0.999	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
V-12	1.890	0.972	0.991	0.997	0.998	0.999	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
V-7	1.917	0.985	0.990	0.995	0.997	0.999	1.000	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000
V-3	2.224	0.972	0.989	0.993	1.000	0.999	1.001	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Sel	2.000	0.995	0.992	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
RTU	1.966	0.983	0.988	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Paid Indemnity and ALAE Projection Method - Combined
Claims-Made Basis

Florida

Report Year (1)	\$250,000/\$750,000 Limits		Ultimate Ratio (2)x(3) (4)
	Paid Loss&ALAE @06/30/2006 (2)	RTU [Sheet 8] (3)	
1990	56,563,679	1.000	56,563,679
1991	73,908,546	1.000	73,908,546
1992	68,000,531	1.001	68,068,532
1993	73,440,474	1.003	73,660,942
1994	77,232,026	1.005	77,618,804
1995	84,624,712	1.008	85,303,659
1996	67,258,632	1.011	68,001,644
1997	58,755,507	1.016	59,701,608
1998	49,214,583	1.026	50,507,123
1999	45,111,872	1.048	47,268,891
2000	41,733,424	1.082	45,171,956
2001	31,916,634	1.139	36,342,743
2002	26,870,051	1.253	33,655,946
2003	16,109,534	1.572	25,323,283
2004	4,160,581	2.531	10,529,722
2005	854,074	6.327	5,403,788
2006H1	43,643	132.869	2,899,423
Total	775,798,503		819,930,289

Notes: (2) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.

(4) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Paid Indemnity and ALAE - \$250,000/\$750,000 Limits
Claims-Made Basis
Florida

RY	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198
1990	114,338	5,744,873	20,973,106	36,527,790	46,127,976	51,263,003	54,078,975	55,231,271	55,457,064	55,869,094	56,460,675	56,539,262	56,560,000	56,563,679	56,563,679	56,563,679	56,563,679
1991	763,028	10,649,162	29,798,549	47,467,814	57,612,465	65,471,461	70,291,317	71,679,804	72,992,292	73,100,431	73,436,405	73,722,583	73,904,834	73,908,546	73,908,546	73,908,546	73,908,546
1992	297,846	8,099,878	25,322,044	41,745,145	52,200,236	60,905,816	62,820,714	64,690,856	65,741,119	66,876,387	67,464,073	67,666,127	67,782,829	67,968,504	68,000,531	68,000,531	68,000,531
1993	179,032	8,524,550	32,474,777	49,455,906	60,448,704	65,114,480	68,972,306	70,723,180	72,070,119	72,703,370	72,883,163	72,976,587	73,387,121	73,440,474	73,440,474	73,440,474	73,440,474
1994	429,471	15,693,097	36,778,758	56,352,153	66,834,610	70,784,379	73,859,743	74,974,626	76,947,895	77,100,460	77,234,551	77,079,034	77,232,026	77,232,026	77,232,026	77,232,026	77,232,026
1995	1,418,343	15,442,466	42,611,702	63,931,462	72,127,372	78,825,997	82,231,087	83,512,977	83,765,014	84,063,182	84,355,224	84,624,712	84,824,712	84,824,712	84,824,712	84,824,712	84,824,712
1996	1,219,152	16,198,246	33,862,439	46,087,477	56,227,794	61,185,422	64,483,950	65,622,509	66,424,148	66,770,959	67,258,632	67,258,632	67,258,632	67,258,632	67,258,632	67,258,632	67,258,632
1997	593,361	15,766,273	38,448,735	40,169,209	49,814,326	53,841,464	55,282,551	56,194,890	57,227,933	58,755,507	58,755,507	58,755,507	58,755,507	58,755,507	58,755,507	58,755,507	58,755,507
1998	599,613	9,553,787	24,115,047	33,967,689	40,161,333	43,717,429	45,869,072	47,474,233	48,214,583	48,214,583	48,214,583	48,214,583	48,214,583	48,214,583	48,214,583	48,214,583	48,214,583
1999	309,649	7,853,046	20,677,985	28,545,157	37,517,587	40,873,404	42,898,639	45,111,872	45,111,872	45,111,872	45,111,872	45,111,872	45,111,872	45,111,872	45,111,872	45,111,872	45,111,872
2000	311,563	7,622,294	18,619,291	30,193,393	35,987,430	39,442,533	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424	41,733,424
2001	538,542	5,226,927	13,593,324	22,052,899	27,860,901	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634	31,916,634
2002	99,309	5,662,024	12,950,744	20,188,029	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051	26,870,051
2003	109,699	4,036,581	9,538,160	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534	16,109,534
2004	111,086	1,342,858	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581	4,160,581
2005	50,607	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074	854,074
2006	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643	43,643

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	50,245	3,651	1,742	1,263	1,111	1,055	1,021	1,004	1,007	1,011	1,001	1,000	1,000	1,000	1,000	1,000	1,000
1991	13,956	2,798	1,593	1,214	1,136	1,074	1,020	1,018	1,001	1,005	1,004	1,002	1,000	1,000	1,000	1,000	1,000
1992	27,195	3,126	1,649	1,250	1,167	1,031	1,030	1,016	1,017	1,009	1,003	1,002	1,003	1,000	1,000	1,000	1,000
1993	47,615	3,810	1,523	1,222	1,077	1,059	1,025	1,019	1,009	1,002	1,001	1,006	1,001	1,000	1,000	1,000	1,000
1994	36,541	2,344	1,532	1,186	1,059	1,043	1,015	1,026	1,002	1,002	0,998	1,002	1,001	1,000	1,000	1,000	1,000
1995	10,888	2,759	1,500	1,128	1,093	1,043	1,016	1,003	1,004	1,003	1,003	1,002	1,001	1,000	1,000	1,000	1,000
1996	13,286	2,091	1,361	1,220	1,088	1,054	1,018	1,012	1,005	1,007	1,003	1,003	1,003	1,002	1,001	1,000	1,000
1997	27,027	1,804	1,412	1,240	1,081	1,027	1,017	1,018	1,027	1,007	1,003	1,003	1,003	1,002	1,001	1,000	1,000
1998	15,933	2,524	1,409	1,182	1,089	1,049	1,035	1,037	1,027	1,005	1,003	1,003	1,003	1,002	1,001	1,000	1,000
1999	25,361	2,633	1,380	1,314	1,089	1,050	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2000	24,465	2,443	1,622	1,192	1,096	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2001	9,706	2,601	1,622	1,264	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2002	57,014	2,287	1,557	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2003	36,797	2,363	1,689	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2004	12,088	3,098	1,689	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2005	16,877	3,098	1,689	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	50,245	3,651	1,742	1,263	1,111	1,055	1,021	1,004	1,007	1,011	1,001	1,000	1,000	1,000	1,000	1,000	1,000
1991	13,956	2,798	1,593	1,214	1,136	1,074	1,020	1,018	1,001	1,005	1,004	1,002	1,000	1,000	1,000	1,000	1,000
1992	27,195	3,126	1,649	1,250	1,167	1,031	1,030	1,016	1,017	1,009	1,003	1,002	1,003	1,000	1,000	1,000	1,000
1993	47,615	3,810	1,523	1,222	1,077	1,059	1,025	1,019	1,009	1,002	1,001	1,006	1,001	1,000	1,000	1,000	1,000
1994	36,541	2,344	1,532	1,186	1,059	1,043	1,015	1,026	1,002	1,002	0,998	1,002	1,001	1,000	1,000	1,000	1,000
1995	10,888	2,759	1,500	1,128	1,093	1,043	1,016	1,003	1,004	1,003	1,003	1,002	1,001	1,000	1,000	1,000	1,000
1996	13,286	2,091	1,361	1,220	1,088	1,054	1,018	1,012	1,005	1,007	1,003	1,003	1,003	1,002	1,001	1,000	1,000
1997	27,027	1,804	1,412	1,240	1,081	1,027	1,017	1,018	1,027	1,007	1,003	1,003	1,003	1,002	1,001	1,000	1,000
1998	15,933	2,524	1,409	1,182	1,089	1,049	1,035	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
1999	25,361	2,633	1,380	1,314	1,089	1,050	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2000	24,465	2,443	1,622	1,192	1,096	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2001	9,706	2,601	1,622	1,264	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2002	57,014	2,287	1,557	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2003	36,797	2,363	1,689	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2004	12,088	3,098	1,689	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000
2005	16,877	3,098	1,689	1,332	1,145	1,058	1,052	1,037	1,027	1,016	1,016	1,008	1,001	1,000	1,000	1,000	1,000

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	50,245	3,651	1,742	1,263	1,111	1,055	1,021	1,004	1,007	1,011	1,001	1,000	1,000	1,000	1,000	1,000	1,000
1991	13,956	2,798	1,593	1,214	1,136	1,074	1,020	1,018	1,001	1,005	1,004	1,002	1,000	1,000	1,000	1,000	1,000
1992	27,195	3,126	1,649	1,250	1,167	1,031	1,030	1,016	1,017	1,009	1,003	1,002	1,003	1,000	1,000	1,000	1,000
1993	47,615	3,810	1,523	1,222	1,077	1,059	1,025	1,019	1,009	1,002	1,001	1,006	1,001	1,000	1,000	1,000	1,000
1994	36,541	2,344	1,532	1,186	1,059	1,043	1,015	1,026	1,002	1,002	0,998	1,002	1,001	1,000	1,000	1,000	1,000
1995	10,888	2,759	1,500	1,128	1,09												

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Incurred Indemnity and ALAE Projection Method - Separately
Claims-Made Basis

Florida

Report Year	\$250,000/\$750,000 Limits						Ultimate Loss&ALAE (4)+(7) (8)
	Incurred Loss @06/30/2006 (2)	Factor to Ultimate [Sheet 11] (3)	Ultimate Loss (2)x(3) (4)	Incurred ALAE @06/30/2006 (5)	Factor to Ultimate [Sheet 10] (6)	Ultimate ALAE (5)x(6) (7)	
1990	27,144,999	1.000	27,144,999	29,418,681	1.000	29,418,681	56,563,680
1991	38,356,422	1.000	38,356,422	35,552,124	1.000	35,552,124	73,908,546
1992	35,664,813	1.000	35,664,813	32,641,296	1.000	32,641,296	68,306,109
1993	41,462,404	1.000	41,462,404	32,183,659	1.001	32,215,842	73,678,246
1994	46,476,219	1.000	46,476,219	31,371,330	1.003	31,465,507	77,941,726
1995	52,888,963	0.997	52,730,296	32,903,991	1.006	33,101,777	85,832,073
1996	40,904,133	0.992	40,577,513	29,219,556	1.009	29,483,381	70,060,894
1997	34,780,597	0.987	34,330,359	26,013,468	1.012	26,327,089	60,657,448
1998	28,979,936	0.983	28,490,369	23,820,627	1.024	24,397,105	52,887,474
1999	25,288,114	0.973	24,612,305	22,964,947	1.055	24,226,339	48,838,644
2000	24,693,635	0.949	23,432,871	25,199,533	1.097	27,647,010	51,079,881
2001	19,855,256	0.901	17,899,445	22,290,521	1.168	26,045,068	43,944,513
2002	23,793,000	0.843	20,055,103	22,977,422	1.279	29,398,197	49,453,300
2003	22,074,010	0.775	17,117,674	15,711,772	1.497	23,519,628	40,637,302
2004	12,341,014	0.741	9,139,401	6,343,699	1.901	12,060,118	21,199,519
2005	10,136,526	0.889	9,008,184	3,098,284	2.605	8,069,576	17,077,760
2006H1	1,775,042	8.887	7,887,271	618,274	11.720	3,623,206	11,510,477
Total	486,615,082		474,385,648	392,329,181		429,191,944	903,577,592

Notes: (2),(5) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.
(4) Value for 2006H1 has been adjusted to reflect only six months of exposure.
(7) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Incurred ALAE
Claims-Made Basis
Florida

RY	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198
1990	1,431,732	10,422,618	16,514,820	21,748,606	24,988,393	27,456,763	28,355,015	28,726,928	28,939,733	29,194,095	29,335,677	29,394,263	29,421,022	29,418,681	29,418,681	29,418,681	29,418,681
1991	2,653,526	14,814,008	19,984,169	25,666,955	30,343,680	32,697,831	34,045,031	34,792,737	35,237,141	35,345,280	35,450,107	35,531,280	35,548,412	35,552,124	35,552,124	35,552,124	35,552,124
1992	4,429,705	16,529,166	21,672,141	25,973,811	27,915,367	29,388,235	30,318,516	31,054,262	31,583,762	31,955,661	32,349,123	32,460,365	32,512,722	32,562,324	32,641,296		
1993	3,745,105	16,400,173	21,854,038	24,818,511	26,995,650	28,797,927	30,217,634	31,044,714	31,497,258	31,938,261	31,956,851	32,006,286	32,133,209	32,183,659			
1994	4,781,396	17,994,285	21,335,774	24,091,182	25,855,494	27,613,946	28,792,524	29,657,407	31,255,159	31,269,608	31,374,829	31,283,600	31,371,330				
1995	5,091,961	19,197,395	21,508,022	24,805,743	27,879,336	29,954,641	31,195,749	32,392,682	32,504,032	32,726,642	32,733,477	32,903,991					
1996	3,025,345	13,311,024	16,537,736	19,894,283	22,613,425	24,866,815	27,285,989	27,995,012	28,747,973	29,126,215	29,219,556						
1997	2,902,647	13,143,538	15,196,269	17,987,289	20,570,427	23,196,421	24,316,317	24,615,094	25,354,203	26,013,468							
1998	3,361,748	12,145,229	13,858,027	15,404,280	19,457,857	20,559,562	21,712,282	22,779,963	23,820,627								
1999	2,680,307	10,454,297	12,394,026	16,325,769	19,106,984	20,177,962	21,615,259	22,964,947									
2000	2,771,870	11,630,196	14,815,826	18,314,903	21,134,085	23,582,123	25,199,533										
2001	2,474,617	9,771,420	13,818,866	17,390,018	19,951,027	22,290,521											
2002	1,760,047	9,767,801	14,566,454	18,644,076	22,977,422												
2003	1,380,035	9,616,101	12,019,538	15,711,772													
2004	1,140,324	3,668,670	6,343,699														
2005	727,962	3,098,284															
2006	618,274																

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	7,280	1,585	1,317	1,149	1,099	1,033	1,013	1,007	1,009	1,005	1,002	1,001	1,000	1,000	1,000	1,000	1,000
1991	5,583	1,349	1,284	1,182	1,078	1,041	1,022	1,013	1,003	1,003	1,002	1,000	1,000	1,000	1,000	1,000	1,000
1992	3,731	1,311	1,198	1,075	1,053	1,032	1,024	1,017	1,012	1,012	1,003	1,002	1,002	1,002	1,000	1,000	1,000
1993	4,379	1,333	1,136	1,088	1,067	1,049	1,027	1,015	1,014	1,001	1,002	1,004	1,002	1,001	1,000	1,000	1,000
1994	3,763	1,186	1,129	1,073	1,068	1,043	1,030	1,054	1,000	1,003	0,997	1,003	1,000	1,001	1,000	1,000	1,000
1995	3,770	1,120	1,153	1,124	1,074	1,041	1,038	1,003	1,007	1,000	1,005	1,003	1,000	1,001	1,000	1,000	1,000
1996	4,400	1,242	1,203	1,137	1,100	1,097	1,026	1,027	1,013	1,003	1,005	1,003	1,000	1,001	1,000	1,000	1,000
1997	4,528	1,156	1,184	1,144	1,128	1,048	1,012	1,030	1,026	1,003	1,005	1,003	1,000	1,001	1,000	1,000	1,000
1998	3,613	1,141	1,112	1,263	1,057	1,056	1,049	1,046	1,026	1,003	1,005	1,003	1,000	1,001	1,000	1,000	1,000
1999	3,900	1,186	1,317	1,170	1,056	1,071	1,062										
2000	4,196	1,274	1,236	1,154	1,116	1,069											
2001	3,949	1,414	1,258	1,147	1,117												
2002	5,550	1,491	1,280	1,232													
2003	6,968	1,250	1,307														
2004	3,217	1,729															
2005	4,256																

V-All	4,328	1,284	1,215	1,143	1,083	1,051	1,029	1,022	1,010	1,004	1,002	1,002	1,001	1,001	1,000	1,000	1,000
V-12	4,168	1,253	1,199	1,142	1,083	1,051	1,029	1,022	1,010	1,004	1,002	1,002	1,001	1,001	1,000	1,000	1,000
V-7	4,484	1,310	1,239	1,176	1,092	1,060	1,034	1,026	1,010	1,004	1,002	1,002	1,001	1,001	1,000	1,000	1,000
V-3	5,044	1,428	1,281	1,179	1,097	1,065	1,040	1,034	1,015	1,002	1,001	1,003	1,001	1,001	1,000	1,000	1,000

Sel	4,500	1,370	1,270	1,170	1,095	1,065	1,040	1,030	1,012	1,003	1,003	1,003	1,002	1,001	1,000	1,000	1,000
RTU	11,720	2,605	1,901	1,497	1,279	1,168	1,097	1,055	1,024	1,012	1,009	1,006	1,003	1,001	1,000	1,000	1,000

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Incurred Indemnity - \$250,000/\$750,000 Limits
Claims-Made Basis
Florida

RY	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198
1990	4,544,873	26,361,644	31,998,473	33,425,691	30,990,035	30,361,534	27,777,000	27,354,999	26,962,499	27,222,499	27,179,999	27,179,999	27,179,999	27,144,999	27,144,999	27,144,999	27,144,999
1991	4,614,094	31,539,975	44,705,131	46,401,286	44,211,538	41,511,288	40,056,288	39,564,151	38,520,151	38,505,151	38,480,151	38,406,422	38,356,422	38,356,422	38,356,422	38,356,422	38,356,422
1992	4,594,432	35,649,035	43,188,786	43,146,064	41,015,938	38,314,438	36,515,689	36,819,813	36,517,313	36,527,323	36,527,323	36,389,813	36,364,813	36,364,813	36,364,813	36,364,813	36,364,813
1993	4,116,148	35,565,993	49,337,771	49,612,867	46,104,962	44,807,940	43,236,894	42,316,894	42,009,894	41,779,894	41,429,894	41,529,904	41,462,404	41,462,404	41,462,404	41,462,404	41,462,404
1994	3,345,702	44,219,038	53,323,612	54,066,622	50,627,719	48,945,719	48,798,219	48,106,219	47,581,219	47,536,219	47,276,219	46,926,219	46,476,219	46,476,219	46,476,219	46,476,219	46,476,219
1995	4,868,909	50,236,491	61,550,641	62,888,590	59,058,084	56,073,963	55,540,213	54,560,213	54,140,213	54,042,713	53,513,963	52,888,963	52,888,963	52,888,963	52,888,963	52,888,963	52,888,963
1996	4,939,478	39,915,441	48,749,213	50,339,440	47,168,874	44,612,374	42,357,758	41,663,183	41,378,203	41,125,693	40,904,133	40,904,133	40,904,133	40,904,133	40,904,133	40,904,133	40,904,133
1997	4,523,612	38,607,404	41,489,521	42,850,503	39,775,750	37,725,577	35,931,327	35,195,607	34,995,597	34,780,597	34,780,597	34,780,597	34,780,597	34,780,597	34,780,597	34,780,597	34,780,597
1998	2,154,633	31,863,907	40,211,166	36,169,556	34,402,077	32,543,076	30,493,586	29,481,186	28,979,936	28,979,936	28,979,936	28,979,936	28,979,936	28,979,936	28,979,936	28,979,936	28,979,936
1999	1,901,098	32,749,971	37,709,386	35,667,625	32,512,019	29,561,374	27,059,364	25,288,114	25,288,114	25,288,114	25,288,114	25,288,114	25,288,114	25,288,114	25,288,114	25,288,114	25,288,114
2000	3,695,114	32,941,688	35,401,303	34,296,539	30,426,991	27,306,308	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635	24,693,635
2001	2,757,104	24,023,423	28,337,604	26,900,666	21,860,626	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256	19,855,256
2002	2,420,143	24,852,387	29,023,801	25,230,113	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000	23,793,000
2003	1,874,105	21,046,618	22,963,574	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010	22,074,010
2004	1,570,060	10,157,520	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014
2005	1,000,051	10,136,526	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014
2006	1,775,042	10,136,526	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014	12,341,014

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	5,800	1,214	1,045	0,927	0,980	0,915	0,985	1,000	0,986	1,010	0,998	1,000	0,999	1,000	1,000	1,000	1,000
1991	6,836	1,417	1,038	0,953	0,939	0,965	0,988	0,974	1,000	0,999	0,998	0,999	1,000	1,000	1,000	1,000	1,000
1992	7,759	1,211	0,999	0,951	0,934	0,953	1,008	0,992	1,006	0,995	0,996	0,999	1,000	1,000	1,000	1,000	1,000
1993	8,641	1,387	1,006	0,929	0,972	0,965	0,979	0,993	0,995	0,992	1,002	0,998	1,000	1,000	1,000	1,000	1,000
1994	13,217	1,206	1,014	0,936	0,967	0,997	0,986	0,989	0,999	0,995	0,993	0,990	0,998	1,000	1,000	1,000	1,000
1995	10,318	1,225	1,022	0,939	0,949	0,990	0,982	0,992	0,998	0,990	0,988	0,990	0,995	1,000	1,000	1,000	1,000
1996	8,081	1,221	1,033	0,937	0,946	0,949	0,984	0,993	0,994	0,995	0,994	0,994	0,994	0,994	0,994	0,994	0,994
1997	8,535	1,075	1,033	0,928	0,948	0,952	0,980	0,993	0,994	0,995	0,994	0,994	0,994	0,994	0,994	0,994	0,994
1998	14,789	1,262	0,899	0,951	0,946	0,937	0,967	0,983	0,983	0,983	0,983	0,983	0,983	0,983	0,983	0,983	0,983
1999	17,227	1,151	0,946	0,912	0,909	0,915	0,935	0,935	0,935	0,935	0,935	0,935	0,935	0,935	0,935	0,935	0,935
2000	8,915	1,075	0,969	0,887	0,897	0,904	0,904	0,904	0,904	0,904	0,904	0,904	0,904	0,904	0,904	0,904	0,904
2001	8,713	1,180	0,949	0,813	0,908	0,908	0,908	0,908	0,908	0,908	0,908	0,908	0,908	0,908	0,908	0,908	0,908
2002	10,269	1,168	0,869	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943
2003	11,230	1,091	0,961	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943
2004	6,470	1,215	0,961	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943
2005	10,136	1,215	0,961	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943	0,943

V-All	9,257	1,210	0,991	0,928	0,945	0,955	0,981	0,990	0,997	0,995	0,995	0,997	0,995	1,000	1,000	1,000	1,000
V-12	10,292	1,192	0,984	0,928	0,945	0,955	0,981	0,990	0,997	0,995	0,995	0,997	0,995	1,000	1,000	1,000	1,000
V-7	10,245	1,160	0,949	0,914	0,934	0,957	0,976	0,991	0,998	0,995	0,995	0,997	0,995	1,000	1,000	1,000	1,000
V-3	9,302	1,148	0,924	0,880	0,905	0,920	0,962	0,991	0,996	0,993	0,994	0,996	0,994	1,000	1,000	1,000	1,000
Sel	10,000	1,200	0,955	0,920	0,935	0,950	0,975	0,990	0,996	0,995	0,995	0,997	1,000	1,000	1,000	1,000	1,000
RTU	8,887	0,889	0,741	0,775	0,843	0,901	0,949	0,973	0,983	0,987	0,992	0,997	1,000	1,000	1,000	1,000	1,000

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Incurred Indemnity and ALAE Projection Method - Combined
Claims-Made Basis

Florida

Report Year (1)	Incurred Loss&ALAE @06/30/2006 (2)	\$250,000/\$750,000 Limits		Ultimate Ratio (2)x(3) (4)
		RTU [Sheet 13] (3)		
1990	56,563,679	1.000		56,563,679
1991	73,908,546	1.000		73,908,546
1992	68,306,109	1.000		68,306,109
1993	73,646,062	1.001		73,719,708
1994	77,847,549	1.002		78,003,322
1995	85,792,954	1.002		85,964,626
1996	70,123,689	1.000		70,123,478
1997	60,794,064	0.998		60,672,294
1998	52,800,563	1.001		52,852,888
1999	48,253,061	1.008		48,638,986
2000	49,893,168	1.008		50,292,210
2001	42,145,776	1.003		42,270,441
2002	46,770,422	0.998		46,674,222
2003	37,785,782	0.998		37,708,063
2004	18,684,713	1.048		19,578,595
2005	13,234,810	1.284		16,988,260
2006H1	2,393,316	9.627		11,520,266
Total	878,944,263			893,785,693

Notes: (2) Actual data for PN, physicians and surgeons, only. Excludes Fen-Phen loss information.

(4) Value for 2006H1 has been adjusted to reflect only six months of exposure.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Incurred Indemnity and ALAE - \$250,000/\$750,000 Limits
Claims-Made Basis
Florida

RY	6	18	30	42	54	66	78	90	102	114	126	138	150	162	174	186	198
1990	5,976,605	36,784,261	48,513,293	55,174,296	55,978,428	57,818,297	56,132,015	56,081,927	56,294,732	56,156,594	56,558,175	56,574,262	56,601,021	56,563,679	56,563,679	56,563,679	56,563,679
1991	7,267,620	46,353,964	64,689,300	72,068,242	74,555,218	74,209,119	74,101,320	74,356,888	73,757,292	73,850,431	73,930,258	73,937,703	73,904,834	73,908,546	73,908,546	73,908,546	73,908,546
1992	9,024,137	52,178,201	64,860,926	69,119,876	68,931,305	67,702,673	66,834,205	67,874,076	68,107,075	68,682,974	68,876,446	68,850,178	68,877,535	68,227,137	68,306,109		
1993	7,861,253	51,966,166	71,191,809	74,431,379	73,100,612	73,605,867	73,454,528	73,361,607	73,507,151	73,718,155	73,386,745	73,536,190	73,595,612	73,646,062			
1994	8,127,098	62,213,323	74,659,386	78,157,804	76,483,213	76,559,665	77,590,743	77,763,626	78,836,378	78,805,827	78,650,848	78,209,819	77,847,549				
1995	9,960,870	69,433,886	83,058,663	87,694,333	86,937,420	86,028,604	86,735,962	86,952,895	86,644,245	86,769,356	86,247,440	85,792,954					
1996	7,964,823	53,226,465	65,286,949	70,233,722	69,782,299	69,479,190	69,643,747	69,658,195	70,126,176	70,251,908	70,123,689						
1997	7,426,259	51,750,942	56,685,790	60,837,792	60,346,177	60,921,998	60,247,644	59,810,701	60,349,799	60,794,064							
1998	5,516,351	44,009,136	54,069,193	51,573,836	53,859,934	53,102,638	52,205,868	52,261,148	52,800,563								
1999	4,581,405	43,204,288	50,103,412	51,983,394	51,619,003	49,739,336	48,674,624	48,253,061									
2000	6,466,984	44,571,884	50,217,129	52,611,441	51,561,076	50,888,431	49,893,168										
2001	5,231,721	33,794,843	42,156,470	44,290,684	41,811,652	42,145,776											
2002	4,180,190	34,620,188	43,590,255	43,874,189	46,770,422												
2003	3,254,140	30,662,719	34,983,112	37,785,782													
2004	2,710,384	13,826,190	18,684,713														
2005	1,728,013	13,234,810															
2006	2,393,316																

RY	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-126	126-138	138-150	150-162	162-174	174-186	186-198	198-Ult.
1990	6,155	1,319	1,137	1,015	1,033	0,971	0,999	1,004	0,998	1,007	1,000	1,000	0,999	1,000	1,000	1,000	
1991	6,378	1,396	1,114	1,035	0,995	0,999	1,003	0,992	1,001	1,001	1,000	1,000	1,000	1,000	1,000	1,000	
1992	5,782	1,243	1,066	0,997	0,982	0,987	1,016	1,003	1,009	1,003	1,000	1,000	0,991	1,001			
1993	6,610	1,370	1,046	0,982	1,007	0,998	0,999	1,002	1,003	0,996	1,002	1,001	1,001				
1994	7,655	1,200	1,047	0,979	1,001	1,013	1,002	1,014	1,000	0,998	1,002	0,995					
1995	6,971	1,196	1,056	0,991	0,990	1,008	1,003	0,996	1,001	0,994	0,995						
1996	6,683	1,227	1,076	0,994	0,996	1,002	1,000	1,007	1,002	0,998							
1997	6,969	1,095	1,073	0,992	1,010	0,989	0,993	1,009	1,007								
1998	7,978	1,229	0,954	1,044	0,986	0,983	1,001	1,010									
1999	9,430	1,160	1,038	0,993	0,964	0,979	0,991										
2000	6,892	1,127	1,048	0,980	0,987	0,990											
2001	6,460	1,247	1,051	0,944	1,008												
2002	8,282	1,259	1,007	1,066													
2003	9,423	1,141	1,080														
2004	5,101	1,351															
2005	7,659																

V-All	7,009	1,231	1,057	1,000	0,996	0,994	1,001	1,004	1,002	0,999	0,998	0,999	0,998	1,000	1,000	1,000	
V-12	7,365	1,209	1,046	0,999	0,996	0,994	1,001	1,004	1,002	0,999	0,998	0,999	0,998	1,000	1,000	1,000	
V-7	7,598	1,201	1,034	1,001	0,991	0,996	0,999	1,006	1,003	0,999	0,998	0,999	0,998	1,000	1,000	1,000	
V-3	7,504	1,229	1,043	0,986	0,985	0,981	0,995	1,009	1,003	0,997	0,997	0,999	0,997	1,000	1,000	1,000	

Sel	7,500	1,225	1,050	1,000	0,995	0,995	1,000	1,007	1,003	0,998	0,998	1,000	1,001	1,001	1,000	1,000	
RTU	9,627	1,284	1,048	0,998	0,998	1,003	1,008	1,008	1,001	0,998	1,000	1,002	1,002	1,001	1,000	1,000	

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Indicated Trend Rate - Exponential Curve
Claims-Made Basis
Florida

Report Year	Indicated \$250K/\$750K Limits Pure Premium [Exhibit 2]	Natural Log of Pure Premium	Exp(Fitted Values) at 95% Confidence Level	
			17 Year	6 Year
(1)	(2)	(3)	(4)	(5)
1990	5,467	8.606	6,223	----
1991	6,853	8.832	6,404	----
1992	6,127	8.720	6,590	----
1993	6,494	8.779	6,782	----
1994	6,915	8.841	6,979	----
1995	8,125	9.003	7,182	----
1996	8,313	9.026	7,390	----
1997	9,116	9.118	7,605	----
1998	7,852	8.969	7,826	----
1999	7,404	8.910	8,053	----
2000	8,143	9.005	8,288	----
2001	7,915	8.977	8,528	7,867
2002	9,820	9.192	8,776	8,286
2003	8,335	9.028	9,031	8,726
2004	7,042	8.860	9,294	9,190
2005	9,320	9.140	9,564	9,679
2006	12,138	9.404	9,842	10,193
(6) R-Squared			0.578	0.260
(7) Indicated Trend			2.9%	5.3%
(8) ISO Indicated Claims-Made Trend			6.0% to 7.6%, 6.8% Avg.	
(9) Previously Selected Trend				7.9%
(10) Selected Trend: [ISO Selection from LI-PR-2005-114]				5.5%

(4)-(6) Values were fitted based on the results of a regression model. See Sheet 2 for details of fit parameters.

(8) Trend rate is as calculated by the Insurance Services Office (ISO) for the state of Florida in LI-PR-2005-114, with their permission, Exhibit E-31

(9) As selected in the rate submission effective February 1, 2006.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Indicated Trend Rate - Exponential Curve Parameters
Claims-Made Basis
Florida

Summary Output as produced by Excel Regression Analysis - 17 Year Fit

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.760338554
R Square	0.578114717
Adjusted R Square	0.549989032
Standard Error	0.127627134
Observations	17

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.334808859	0.334808859	20.55468894	0.000395801
Residual	15	0.244330279	0.016288685		
Total	16	0.579139139			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-48.2700764	12.62437028	-3.82356311	0.001661261	-75.1782846	-21.3618683	-75.1782846	-21.3618683
X Variable 1	0.02864629	0.006318485	4.53372793	0.000395801	0.015178759	0.042113822	0.015178759	0.042113822

Summary Output as produced by Excel Regression Analysis - 6 Year Fit

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.509647664
R Square	0.259740742
Adjusted R Square	0.074675927
Standard Error	0.182939608
Observations	6

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.046971206	0.046971206	1.403512289	0.301716635
Residual	4	0.1338676	0.0334669		
Total	5	0.180838806			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-94.6973532	87.61495133	-1.08083554	0.340582596	-337.955456	148.5607495	-337.955456	148.5607495
X Variable 1	0.051808	0.043730931	1.18469924	0.301716635	-0.069608528	0.173224529	-0.06960853	0.173224529

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Calculation of Class Off-Balance Factor
Claims-Made Basis
Florida

Current Current Class	PN Exposure Distribution	Current Relativity	Proposed Current Class	PN Exposure Distribution	Proposed Relativity
(1)	(2)	(3)	(4)	(5)	(6)
1	2.3%	0.500	1	2.3%	0.500
2	9.9%	0.650	2	9.9%	0.650
3	42.6%	1.000	3	42.6%	1.000
4	23.8%	1.250	4	23.8%	1.250
5	5.5%	1.500	5	5.5%	1.500
6	2.6%	1.650	6	2.6%	1.650
7	0.6%	2.000	7	0.6%	2.000
8	6.5%	2.250	8	6.5%	2.250
9	0.0%	2.500	9	0.0%	2.500
10	3.4%	3.000	10	3.4%	3.000
11	1.9%	3.500	11	1.9%	3.500
12	0.1%	4.000	12	0.1%	4.000
13	0.4%	4.500	13	0.4%	4.500
14	0.3%	5.000	14	0.3%	5.000
15	0.1%	7.000	15	0.1%	7.000
Total/Avg.	<u>100.0%</u>	<u>1.296</u>	Total/Avg.	<u>100.0%</u>	<u>1.296</u>

(7) Off Balance Factor: [Total of (3) / Total of (6)]

1.000

Notes: (2) Distribution of PN Florida physicians as of 06/30/2006.

(3) Currently effective class plan.

(5) No changes to the class plan are being proposed at this time.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
 Calculation of Territory Off-Balance Factor
 Claims-Made Basis
 Florida

Current Territory	PN Exposure Distribution	Current Relativity	Proposed Territory	PN Exposure Distribution	Proposed Relativity
(1)	(2)	(3)	(4)	(5)	(6)
1	27.2%	1.700	1	27.2%	1.700
2	9.6%	1.500	2	9.6%	1.500
3	51.6%	1.000	3	51.6%	1.000
4	11.6%	1.250	4	11.6%	1.250
Total/Avg.	100.0%	1.267	Total/Avg.	100.0%	1.267

(7) Off Balance Factor: [Total of (3) / Total of (6)]

1.000

Notes: (2),(5) Distribution of PN Florida physicians as of 06/30/2006.

(3) Currently effective territory plan.

(5) No changes to the territory plan are being proposed at this time.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
 Calculation of Average Increased Limits Factor
 Claims-Made Basis
 Florida

Current= Proposed Limit (1)	PN Exposure Distribution		Current and Proposed Relativity	
	Phys. (2)	Surg. (3)	Phys. (4)	Surg. (5)
\$100,000/\$300,000	0.00%	0.00%	0.736	0.736
\$250,000/\$750,000	56.12%	7.93%	1.000	1.000
\$500,000/\$1,500,000	10.12%	1.46%	1.279	1.313
\$1,000,000/\$3,000,000	21.24%	3.13%	1.624	1.674
Total/Avg.		<u>100.00%</u>		<u>1.186</u>

Notes: (2),(3) Distribution of PN Florida physicians as of 06/30/2006.

(4),(5) Currently effective increased limits factors. No changes to the limits factors are being proposed at this time.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
 Calculation of Average Maturity Factor
 Claims-Made Basis
 Florida

Current= Proposed Maturity <u>(1)</u>	PN Exposure Distribution <u>(2)</u>	Current= Proposed Relativity <u>(3)</u>
1	2.3%	0.300
2	2.7%	0.500
3	5.4%	0.852
4	5.1%	0.938
5	84.5%	1.000
Total/Avg.	<u>100.0%</u>	<u>0.959</u>

Notes: (2) Distribution of PN Florida physicians as of 06/30/2006.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Indicated ULAE Load - ProAssurance Group of Companies
Claims-Made Basis
Florida

Calendar Year	Direct Paid		Change Direct Case O/S Loss & ALAE	Direct ULAE Base (3)+[0.5x(4)]	ULAE Ratio Indications	
	ULAE	Loss & ALAE			Paid ULAE Ratio to Base (2)/(5)	Paid ULAE Ratio to Loss & ALAE (2)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2001	21,443	282,468	(11,513)	276,712	7.7%	7.6%
2002	22,785	311,613	61,599	342,413	6.7%	7.3%
2003	25,945	290,088	64,524	322,350	8.0%	8.9%
2004	29,245	268,209	69,098	302,758	9.7%	10.9%
2005	31,037	236,481	133,967	303,465	10.2%	13.1%
Total	<u>130,455</u>	<u>1,388,859</u>	<u>317,675</u>	<u>1,547,697</u>	<u>8.4%</u>	<u>9.4%</u>
(8) Previously Selected ULAE Load						8.5%
(9) Selected ULAE Load						9.5%

Notes: (2)-(4) From Insurance Expense Exhibits for the ProAssurance Group of Companies for the medical malpractice line of business.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Permissible Loss Ratio Reflecting Investment Income
Claims-Made Basis

Florida

Line (1)	Undiscounted Losses (2)	Discounted Losses [Exhibit 11, Sheet 1] (3)	Difference (2)-(3) (4)	Expected Loss Ratio (5)	Investment Income Opportunity (4)x(5) (6)
(A) Liability	100.0%	88.0%	12.0%	91.7%	11.0%
(B) Auto Physical Damage	100.0%	97.4%	2.6%	69.1%	1.8%
(7) Net Investment Income Opportunity: [(6A) - (6B)]					9.2%
(8) Selected Investment Income Opportunity					9.2%
(9) Selected Underwriting Profit and Contingencies					5.0%
(10) Calculated Underwriting Profit: [(9) - (8)]					-4.2%
(11) Expenses Excluding Underwriting Profit					12.5%
(12) Revised Total Expenses: [(10) + (11)]					8.3%
(13) Permissible Loss Ratio: [100% - (12)]					91.7%

Notes: (9) This factor was selected in compliance with Florida statutes. However, this factor does not accurately reflect the profit and contingency factor which is indicated by a standard rate of return model which calculates a profit provision, net of investment income, based on estimated earnings as a percent of premiums and the required return from insurance operations. The actual profit and contingency factor indicated by this model is 13.1%. It is our understanding that the OIR will be reviewing the statutes regarding appropriate profit and contingency factors.

$$(11) = \frac{\text{Fixed Expenses}}{\text{Indicated Avg. Class, Avg. Terr. Base Rate}} + \text{Variable Expenses}$$

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Development of Present Value Factors
Annual Rate of Return of 4.25%
Claims-Made Basis
Florida

Payment Year	Professional Liability				Auto Physical Damage			
	Selected Payment Pattern	Present Value Factor	Present Value of Payment (2)x(3)	Discount Factor at Beginning of Year	Selected Payment Pattern	Present Value Factor	Present Value of Payment (6)x(7)	Discount Factor at Beginning of Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	5.5%	0.979	0.054	0.880	87.0%	0.979	0.852	0.974
2	24.0%	0.939	0.225	0.912	13.0%	0.939	0.122	0.979
3	26.6%	0.901	0.240	0.927				
4	20.2%	0.864	0.175	0.933				
5	10.6%	0.829	0.088	0.930				
6	5.6%	0.795	0.045	0.929				
7	3.5%	0.763	0.027	0.929				
8	1.4%	0.732	0.010	0.922				
9	1.1%	0.702	0.008	0.929				
10	0.5%	0.673	0.003	0.930				
11	0.4%	0.646	0.003	0.944				
12	0.4%	0.620	0.002	0.960				
13	0.1%	0.594	0.001	0.959				
14	0.1%	0.570	0.001	0.979				
Total	100.0%		0.880		100.0%		0.974	

Notes: (2) From Exhibit 11, Sheet 2.

(3),(7) Assumes payments are distributed evenly through the year. Assumes a 4.25% rate of return, based on 8/2006 U.S. Treasury Bond yields for maturities corresponding to PN's expected loss payout pattern.

(5) [Upward sum of Column (4)] / [Upward sum of Column (2)], each entry adjusted forward in time to its respective payment year.

(6) From FPIC Physician and Surgeon Professional Liability rate filing for the state of Florida effective 12/01/02.

(9) [Upward sum of Column (8)] / [Upward sum of Column (6)], each entry adjusted forward in time to its respective payment year.

ProNational Insurance Company
Physicians and Surgeons Professional Liability
Development of \$1,000,000 Limits Paid Loss and ALAE
Florida

Claims-Made Basis
(Triangle Data Includes Physicians and Surgeons Claims-Made and Excludes Tail Experience)

Report Year	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
1990	1,412,711	14,599,061	36,884,150	52,874,596	60,103,208	64,647,532	66,597,493	66,951,969	67,684,574	67,664,113	68,301,573	68,332,084	68,346,129	68,346,170	68,346,170	68,346,170
1991	2,576,902	25,788,766	49,307,270	66,785,649	78,771,088	86,471,956	90,719,085	91,677,624	92,435,560	92,558,729	92,859,448	93,134,567	93,305,019	93,305,019	93,305,019	93,305,019
1992	1,813,368	18,495,032	38,897,290	59,546,086	71,616,749	74,760,343	76,958,460	78,395,869	79,469,582	80,770,443	81,149,655	81,275,720	81,461,449	81,538,515	81,538,515	81,538,515
1993	2,347,325	23,124,256	50,040,050	70,765,004	76,891,777	81,835,847	86,280,260	88,301,584	89,146,924	89,499,828	89,701,988	90,863,953	90,915,968	90,915,968	90,915,968	90,915,968
1994	5,861,065	31,799,346	62,459,304	80,441,172	88,061,314	93,216,360	94,900,573	97,228,759	97,638,284	97,790,395	97,655,627	97,701,383	97,655,627	97,701,383	97,701,383	97,701,383
1995	5,825,200	34,404,781	68,272,086	82,596,833	91,736,107	96,576,192	99,858,689	100,204,406	100,438,636	100,734,050	101,043,840	101,043,840	101,043,840	101,043,840	101,043,840	101,043,840
1996	9,972,329	32,154,983	48,810,370	65,849,088	73,831,184	78,285,000	82,094,386	82,980,431	83,461,576	83,979,531	83,979,531	83,979,531	83,979,531	83,979,531	83,979,531	83,979,531
1997	7,256,167	27,662,488	43,557,763	55,265,287	64,133,195	66,387,191	68,664,138	69,422,633	72,431,535	72,431,535	72,431,535	72,431,535	72,431,535	72,431,535	72,431,535	72,431,535
1998	4,597,330	21,897,941	37,868,574	47,263,760	53,065,536	55,670,099	58,730,411	59,947,990	59,947,990	59,947,990	59,947,990	59,947,990	59,947,990	59,947,990	59,947,990	59,947,990
1999	3,222,668	15,726,323	31,842,835	40,467,585	47,448,964	50,623,983	51,612,882	51,612,882	51,612,882	51,612,882	51,612,882	51,612,882	51,612,882	51,612,882	51,612,882	51,612,882
2000	3,450,679	17,109,839	31,219,401	42,023,339	46,820,595	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409	50,474,409
2001	3,499,578	9,747,902	21,868,038	30,559,105	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818	34,983,818
2002	1,492,248	11,653,570	18,450,628	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399	27,222,399
2003	1,766,260	7,753,190	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878	13,120,878
2004	518,998	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492	2,456,492
2005	289,191															

Report Year	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-Ult.
1990	10.334	2.526	1.434	1.137	1.076	1.030	1.005	1.011	1.000	1.009	1.000	1.000	1.000	1.000	1.000	1.000
1991	10.008	1.912	1.354	1.179	1.098	1.049	1.011	1.008	1.001	1.003	1.003	1.002	1.000	1.000	1.000	1.000
1992	10.199	2.103	1.531	1.203	1.044	1.029	1.019	1.014	1.016	1.005	1.002	1.002	1.001	1.000	1.000	1.000
1993	9.851	2.164	1.414	1.087	1.064	1.054	1.023	1.010	1.004	1.002	1.013	1.001	1.001	1.000	1.000	1.000
1994	5.426	1.964	1.288	1.095	1.059	1.018	1.025	1.004	1.002	1.002	1.000	1.000	1.000	1.000	1.000	1.000
1995	5.906	1.984	1.210	1.111	1.053	1.034	1.003	1.002	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000
1996	3.224	1.518	1.349	1.121	1.060	1.049	1.011	1.006	1.006	1.006	1.000	1.000	1.000	1.000	1.000	1.000
1997	3.812	1.575	1.269	1.160	1.035	1.034	1.011	1.006	1.006	1.006	1.000	1.000	1.000	1.000	1.000	1.000
1998	4.763	1.729	1.248	1.123	1.049	1.055	1.021	1.043	1.043	1.043	1.000	1.000	1.000	1.000	1.000	1.000
1999	4.880	2.025	1.271	1.173	1.067	1.023	1.023	1.023	1.023	1.023	1.000	1.000	1.000	1.000	1.000	1.000
2000	4.958	1.825	1.346	1.114	1.078	1.038	1.038	1.038	1.038	1.038	1.000	1.000	1.000	1.000	1.000	1.000
2001	2.785	2.243	1.397	1.145	1.078	1.038	1.038	1.038	1.038	1.038	1.000	1.000	1.000	1.000	1.000	1.000
2002	7.809	1.584	1.475	1.145	1.078	1.038	1.038	1.038	1.038	1.038	1.000	1.000	1.000	1.000	1.000	1.000
2003	4.390	1.692	1.475	1.145	1.078	1.038	1.038	1.038	1.038	1.038	1.000	1.000	1.000	1.000	1.000	1.000
2004	4.733															

S-All	6.205	1.918	1.353	1.137	1.062	1.038	1.014	1.012	1.005	1.004	1.004	1.001	1.000	1.000	1.000	1.000
V-All	5.293	1.893	1.338	1.134	1.062	1.038	1.014	1.011	1.004	1.003	1.004	1.001	1.000	1.000	1.000	1.000
V-5	4.542	1.880	1.328	1.143	1.057	1.039	1.014	1.011	1.006	1.002	1.004	1.001	1.000	1.000	1.000	1.000
Prior Sel.	5.400	1.900	1.345	1.137	1.065	1.039	1.014	1.007	1.005	1.004	1.004	1.001	1.001	1.000	1.000	1.000
Sel.	5.330	1.900	1.360	1.139	1.065	1.038	1.014	1.011	1.005	1.004	1.004	1.001	1.001	1.000	1.000	1.000
RTU	18.046	3.386	1.782	1.310	1.150	1.080	1.041	1.026	1.015	1.010	1.006	1.002	1.001	1.000	1.000	1.000

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Rate Tables - \$1,000,000/\$3,000,000 Limits
Florida**Territory 001 - Dade and Broward Counties**

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	7,418	11,927	19,864	21,803	23,201	19,721	31,321	35,962	38,282	39,442
2	9,447	15,309	25,627	28,148	29,965	25,470	40,453	46,446	49,442	50,941
3	14,182	23,201	39,074	42,952	45,748	38,886	61,760	70,909	75,484	77,772
4	17,564	28,838	48,679	53,527	57,022	48,469	76,980	88,384	94,086	96,937
5	20,946	34,474	58,284	64,101	68,295	58,051	92,198	105,857	112,687	116,102
6	22,975	37,856	64,047	70,446	75,059	63,800	101,330	116,341	123,847	127,600
7	27,710	45,748	77,495	85,251	90,843	77,217	122,638	140,807	149,891	154,433
8	32,029	52,947	89,761	98,756	105,240	89,454	142,074	163,122	173,646	178,908
9	35,516	58,757	99,662	109,656	116,861	99,332	157,762	181,135	192,821	198,664
10	42,488	70,378	119,464	131,456	140,102	119,087	189,138	217,158	231,168	238,173
11	49,461	81,999	139,265	153,257	163,344	138,842	220,514	253,183	269,518	277,685
12	56,433	93,619	159,067	175,057	186,585	158,597	251,890	289,207	307,865	317,195
13	63,405	105,240	178,869	196,858	209,826	178,352	283,265	325,230	346,213	356,704
14	70,378	116,861	198,671	218,658	233,068	198,108	314,642	361,255	384,562	396,216
15	98,268	163,344	277,877	305,860	326,034	277,129	440,146	505,353	537,956	554,258

Territory 002 - Palm Beach County

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	6,622	10,601	17,604	19,315	20,548	17,466	27,740	31,849	33,904	34,932
2	8,412	13,585	22,689	24,913	26,517	22,539	35,798	41,101	43,753	45,079
3	12,590	20,548	34,554	37,976	40,443	34,377	54,598	62,687	66,731	68,753
4	15,575	25,522	43,029	47,306	50,390	42,832	68,027	78,105	83,144	85,663
5	18,559	30,495	51,504	56,637	60,337	51,286	81,455	93,522	99,556	102,573
6	20,349	33,480	56,589	62,235	66,306	56,360	89,513	102,774	109,405	112,720
7	24,527	40,443	68,454	75,298	80,232	68,197	108,313	124,360	132,383	136,394
8	28,338	46,795	79,278	87,214	92,936	78,996	125,464	144,051	153,344	157,991
9	31,414	51,921	88,014	96,832	103,189	87,711	139,305	159,943	170,262	175,421
10	37,566	62,175	105,486	116,068	123,696	105,142	166,990	191,729	204,098	210,283
11	43,719	72,429	122,958	135,303	144,204	122,573	194,675	223,516	237,937	245,147
12	49,871	82,682	140,430	154,539	164,711	140,004	222,360	255,302	271,773	280,009
13	56,023	92,936	157,902	173,775	185,218	157,435	250,044	287,088	305,610	314,871
14	62,175	103,189	175,374	193,011	205,725	174,866	277,729	318,874	339,446	349,733
15	86,784	144,204	245,263	269,953	287,754	244,591	388,468	446,019	474,794	489,182

Territory 003 - Remainder of State

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	4,632	7,285	11,954	13,094	13,917	11,829	18,788	21,571	22,963	23,659
2	5,826	9,275	15,344	16,827	17,896	15,212	24,160	27,739	29,528	30,423
3	8,611	13,917	23,254	25,535	27,180	23,103	36,693	42,129	44,847	46,206
4	10,601	17,232	28,904	31,755	33,811	28,739	45,645	52,407	55,788	57,479
5	12,590	20,548	34,554	37,976	40,443	34,377	54,598	62,687	66,731	68,753
6	13,784	22,538	37,944	41,708	44,422	37,759	59,970	68,854	73,296	75,517
7	16,569	27,180	45,854	50,417	53,706	45,650	72,503	83,244	88,615	91,300
8	19,110	31,414	53,070	58,361	62,175	52,849	83,936	96,371	102,589	105,698
9	21,161	34,832	58,894	64,773	69,011	58,659	93,165	106,967	113,868	117,319
10	25,262	41,668	70,542	77,596	82,682	70,280	111,621	128,157	136,425	140,559
11	29,364	48,504	82,190	90,420	96,354	81,901	130,078	149,349	158,984	163,802
12	33,465	55,339	93,838	103,244	110,025	93,521	148,534	170,539	181,541	187,043
13	37,566	62,175	105,486	116,068	123,696	105,142	166,990	191,729	204,098	210,283
14	41,668	69,011	117,134	128,892	137,368	116,763	185,447	212,920	226,657	233,526
15	58,074	96,354	163,726	180,187	192,054	163,246	259,273	297,684	316,889	326,492

Territory 004 - Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie, and Volusia Counties

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	5,627	8,943	14,779	16,204	17,232	14,647	23,263	26,710	28,433	29,294
2	7,119	11,430	19,016	20,870	22,206	18,875	29,978	34,419	36,640	37,750
3	10,601	17,232	28,904	31,755	33,811	28,739	45,645	52,407	55,788	57,479
4	13,088	21,377	35,967	39,531	42,101	35,786	56,836	65,257	69,467	71,572
5	15,575	25,522	43,029	47,306	50,390	42,832	68,027	78,105	83,144	85,663
6	17,067	28,009	47,267	51,972	55,364	47,059	74,741	85,814	91,351	94,119
7	20,548	33,811	57,154	62,857	66,969	56,924	90,408	103,802	110,499	113,847
8	23,724	39,104	66,174	72,787	77,555	65,922	104,699	120,210	127,966	131,844
9	26,287	43,377	73,454	80,802	86,100	73,185	116,235	133,455	142,065	146,370
10	31,414	51,921	88,014	96,832	103,189	87,711	139,305	159,943	170,262	175,421
11	36,541	60,466	102,574	112,862	120,279	102,237	162,377	186,432	198,460	204,474
12	41,668	69,011	117,134	128,892	137,368	116,763	185,447	212,920	226,657	233,526
13	46,795	77,555	131,694	144,921	154,457	131,288	208,517	239,408	254,854	262,577
14	51,921	86,100	146,254	160,951	171,546	145,814	231,587	265,896	283,051	291,628
15	72,429	120,279	204,495	225,070	239,904	203,918	323,870	371,851	395,842	407,837

Notes: See Sheet 5 for notes.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Rate Tables - \$500,000/\$1,500,000 Limits
Florida**Territory 001 - Dade and Broward Counties**

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	6,226	9,941	16,479	18,076	19,228	16,344	25,958	29,803	31,726	32,688
2	7,897	12,727	21,226	23,303	24,800	21,080	33,480	38,440	40,920	42,160
3	11,798	19,228	32,304	35,499	37,802	32,132	51,033	58,593	62,373	64,263
4	14,584	23,871	40,217	44,210	47,089	40,026	63,570	72,988	77,697	80,051
5	17,370	28,515	48,129	52,921	56,376	47,920	76,108	87,383	93,020	95,839
6	19,042	31,301	52,877	58,148	61,948	52,656	83,630	96,019	102,214	105,312
7	22,943	37,802	63,954	70,344	74,950	63,708	101,183	116,173	123,668	127,415
8	26,395	43,557	73,760	81,140	86,459	73,490	116,720	134,011	142,657	146,980
9	29,256	48,324	81,883	90,082	95,993	81,594	129,591	148,789	158,388	163,188
10	34,976	57,857	98,129	107,968	115,061	97,802	155,332	178,345	189,851	195,604
11	40,696	67,391	114,375	125,854	134,129	114,010	181,074	207,900	221,313	228,019
12	46,417	76,925	130,621	143,740	153,197	130,217	206,816	237,455	252,775	260,435
13	52,137	86,459	146,867	161,625	172,265	146,425	232,558	267,011	284,237	292,851
14	57,857	95,993	163,113	179,511	191,333	162,633	258,300	296,566	315,699	325,266
15	80,739	134,129	228,097	251,054	267,605	227,464	361,267	414,788	441,548	454,929

Territory 002 - Palm Beach County

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	5,570	8,848	14,617	16,026	17,043	14,487	23,008	26,417	28,121	28,973
2	7,045	11,306	18,806	20,638	21,959	18,665	29,645	34,036	36,232	37,330
3	10,487	17,043	28,580	31,399	33,432	28,417	45,133	51,820	55,163	56,834
4	12,945	21,140	35,562	39,086	41,626	35,382	56,195	64,520	68,683	70,764
5	15,404	25,237	42,544	46,772	49,821	42,348	67,258	77,223	82,205	84,696
6	16,879	27,695	46,733	51,384	54,737	46,526	73,895	84,842	90,316	93,053
7	20,320	33,432	56,507	62,145	66,210	56,279	89,384	102,626	109,247	112,557
8	23,367	38,509	65,159	71,671	76,365	64,910	103,093	118,366	126,002	129,821
9	25,891	42,715	72,327	79,561	84,777	72,060	114,449	131,404	139,882	144,121
10	30,938	51,128	86,661	95,343	101,602	86,362	137,163	157,483	167,643	172,723
11	35,985	59,540	100,996	111,124	118,426	100,662	159,875	183,560	195,403	201,324
12	41,033	67,952	115,331	126,906	135,251	114,963	182,589	209,639	223,164	229,927
13	46,080	76,365	129,665	142,688	152,076	129,265	205,303	235,718	250,925	258,529
14	51,128	84,777	144,000	158,469	168,900	143,565	228,015	261,795	278,685	287,130
15	71,317	118,426	201,339	221,595	236,199	200,769	318,869	366,108	389,728	401,538

Territory 003 - Remainder of State

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	3,931	6,117	9,962	10,902	11,580	9,843	15,633	17,949	19,107	19,686
2	4,915	7,755	12,755	13,977	14,857	12,628	20,057	23,028	24,514	25,257
3	7,209	11,580	19,271	21,151	22,506	19,130	30,383	34,884	37,135	38,260
4	8,848	14,311	23,926	26,275	27,969	23,774	37,758	43,352	46,149	47,547
5	10,487	17,043	28,580	31,399	33,432	28,417	45,133	51,820	55,163	56,834
6	11,470	18,681	31,373	34,474	36,709	31,203	49,557	56,899	60,570	62,405
7	13,765	22,506	37,889	41,648	44,358	37,704	59,883	68,755	73,191	75,409
8	15,796	25,891	43,657	47,998	51,128	43,459	69,023	79,248	84,361	86,918
9	17,478	28,695	48,436	53,259	56,736	48,226	76,594	87,941	93,614	96,451
10	20,843	34,303	57,992	63,780	67,952	57,759	91,735	105,326	112,121	115,518
11	24,208	39,911	67,549	74,301	79,169	67,294	106,878	122,712	130,629	134,587
12	27,573	45,519	77,105	84,822	90,385	76,827	122,020	140,097	149,135	153,655
13	30,938	51,128	86,661	95,343	101,602	86,362	137,163	157,483	167,643	172,723
14	34,303	56,736	96,218	105,864	112,818	95,895	152,304	174,868	186,150	191,791
15	47,763	79,169	134,444	147,948	157,684	134,031	212,873	244,410	260,179	268,063

Territory 004 - Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie, and Volusia Counties

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	4,751	7,482	12,290	13,464	14,311	12,164	19,320	22,182	23,613	24,329
2	5,980	9,531	15,781	17,308	18,408	15,647	24,851	28,532	30,373	31,294
3	8,848	14,311	23,926	26,275	27,969	23,774	37,758	43,352	46,149	47,547
4	10,897	17,725	29,744	32,680	34,797	29,577	46,976	53,935	57,415	59,155
5	12,945	21,140	35,562	39,086	41,626	35,382	56,195	64,520	68,683	70,764
6	14,174	23,188	39,053	42,929	45,723	38,865	61,726	70,871	75,443	77,729
7	17,043	27,969	47,198	51,897	55,284	46,991	74,633	85,690	91,219	93,983
8	19,581	32,200	54,408	59,834	63,746	54,184	86,057	98,806	105,181	108,368
9	21,684	35,705	60,381	66,410	70,756	60,143	95,521	109,672	116,747	120,285
10	25,891	42,715	72,327	79,561	84,777	72,060	114,449	131,404	139,882	144,121
11	30,097	49,726	84,272	92,713	98,798	83,978	133,377	153,137	163,017	167,957
12	34,303	56,736	96,218	105,864	112,818	95,895	152,304	174,868	186,150	191,791
13	38,509	63,746	108,163	119,015	126,839	107,813	171,233	196,600	209,284	215,626
14	42,715	70,756	120,109	132,167	140,859	119,730	190,160	218,331	232,417	239,460
15	59,540	98,798	167,891	184,772	196,942	167,401	265,872	305,260	324,954	334,801

Notes: See Sheet 5 for notes.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Rate Tables - \$250,000/\$750,000 Limits
Florida**Territory 001 - Dade and Broward Counties**

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	5,060	7,998	13,169	14,432	15,343	13,042	20,713	23,782	25,316	26,083
2	6,383	10,202	16,924	18,566	19,750	16,788	26,663	30,613	32,588	33,575
3	9,467	15,343	25,685	28,211	30,033	25,528	40,545	46,551	49,554	51,056
4	11,671	19,016	31,943	35,101	37,378	31,771	50,460	57,936	61,674	63,543
5	13,874	22,688	38,200	41,990	44,723	38,015	60,376	69,321	73,793	76,029
6	15,196	24,892	41,955	46,124	49,130	41,761	66,326	76,152	81,065	83,521
7	18,281	30,033	50,716	55,769	59,412	50,500	80,206	92,089	98,030	101,000
8	20,485	33,705	56,974	62,659	66,757	56,743	90,122	103,473	110,149	113,487
9	22,688	37,378	63,232	69,548	74,102	62,987	100,038	114,858	122,268	125,973
10	27,095	44,723	75,747	83,327	88,792	75,473	119,869	137,628	146,507	150,946
11	31,502	52,068	88,263	97,106	103,482	87,960	139,701	160,397	170,745	175,919
12	35,909	59,412	100,779	110,885	118,171	100,445	159,531	183,165	194,982	200,891
13	40,316	66,757	113,294	124,664	132,861	112,932	179,362	205,935	219,221	225,864
14	44,723	74,102	125,810	138,443	147,551	125,418	199,194	228,704	243,459	250,837
15	62,350	103,482	175,873	193,559	206,310	175,364	278,519	319,781	340,412	350,727

Territory 002 - Palm Beach County

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	4,542	7,134	11,697	12,811	13,615	11,573	18,380	21,103	22,465	23,146
2	5,709	9,079	15,010	16,459	17,504	14,878	23,630	27,131	28,882	29,757
3	8,430	13,615	22,740	24,969	26,577	22,590	35,879	41,194	43,852	45,181
4	10,375	16,855	28,262	31,048	33,057	28,098	44,627	51,238	54,544	56,197
5	12,319	20,096	33,783	37,127	39,538	33,607	53,376	61,284	65,238	67,215
6	13,485	22,040	37,096	40,775	43,427	36,913	58,626	67,312	71,655	73,826
7	16,207	26,577	44,826	49,285	52,500	44,625	70,875	81,375	86,625	89,250
8	18,152	29,817	50,348	55,364	58,980	50,133	79,623	91,419	97,317	100,266
9	20,096	33,057	55,870	61,443	65,461	55,642	88,372	101,465	108,011	111,284
10	23,984	39,538	66,913	73,601	78,423	66,660	105,871	121,556	129,398	133,319
11	27,873	46,019	77,956	85,759	91,384	77,676	123,368	141,645	150,784	155,353
12	31,761	52,500	88,999	97,917	104,346	88,694	140,867	161,736	172,171	177,388
13	35,650	58,980	100,043	110,075	117,307	99,711	158,364	181,826	193,557	199,422
14	39,538	65,461	111,086	122,233	130,269	110,729	175,863	201,917	214,944	221,457
15	55,092	91,384	155,259	170,864	182,115	154,798	245,855	282,278	300,490	309,596

Territory 003 - Remainder of State

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	3,246	4,974	8,016	8,759	9,295	7,901	12,548	14,407	15,337	15,802
2	4,024	6,270	10,224	11,190	11,887	10,104	16,047	18,425	19,614	20,208
3	5,838	9,295	15,378	16,864	17,936	15,246	24,214	27,801	29,594	30,491
4	7,134	11,455	19,059	20,917	22,256	18,918	30,046	34,497	36,722	37,835
5	8,430	13,615	22,740	24,969	26,577	22,590	35,879	41,194	43,852	45,181
6	9,208	14,911	24,949	27,401	29,169	24,794	39,378	45,212	48,129	49,587
7	11,023	17,936	30,102	33,075	35,218	29,935	47,544	54,588	58,110	59,871
8	12,319	20,096	33,783	37,127	39,538	33,607	53,376	61,284	65,238	67,215
9	13,615	22,256	37,464	41,180	43,859	37,280	59,210	67,981	72,367	74,560
10	16,207	26,577	44,826	49,285	52,500	44,625	70,875	81,375	86,625	89,250
11	18,800	30,897	52,189	57,390	61,141	51,970	82,540	94,769	100,883	103,940
12	21,392	35,218	59,551	65,496	69,782	59,315	94,206	108,162	115,140	118,629
13	23,984	39,538	66,913	73,601	78,423	66,660	105,871	121,556	129,398	133,319
14	26,577	43,859	74,275	81,706	87,064	74,004	117,536	134,949	143,656	148,009
15	36,946	61,141	103,724	114,127	121,628	103,384	164,198	188,523	200,686	206,768

Territory 004 - Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie, and Volusia Counties

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	3,894	6,054	9,856	10,785	11,455	9,737	15,464	17,755	18,901	19,474
2	4,866	7,674	12,617	13,825	14,695	12,491	19,838	22,777	24,247	24,982
3	7,134	11,455	19,059	20,917	22,256	18,918	30,046	34,497	36,722	37,835
4	8,754	14,155	23,660	25,983	27,657	23,508	37,337	42,868	45,634	47,017
5	10,375	16,855	28,262	31,048	33,057	28,098	44,627	51,238	54,544	56,197
6	11,347	18,476	31,022	34,088	36,298	30,853	49,002	56,262	59,892	61,707
7	13,615	22,256	37,464	41,180	43,859	37,280	59,210	67,981	72,367	74,560
8	15,235	24,956	42,066	46,246	49,259	41,870	66,500	76,351	81,277	83,740
9	16,855	27,657	46,667	51,312	54,660	46,461	73,791	84,723	90,189	92,922
10	20,096	33,057	55,870	61,443	65,461	55,642	88,372	101,465	108,011	111,284
11	23,336	38,458	65,072	71,575	76,262	64,823	102,954	118,206	125,832	129,645
12	26,577	43,859	74,275	81,706	87,064	74,004	117,536	134,949	143,656	148,009
13	29,817	49,259	83,478	91,838	97,865	83,185	132,118	151,691	161,477	166,371
14	33,057	54,660	92,680	101,969	108,666	92,366	146,699	168,432	179,299	184,732
15	46,019	76,262	129,491	142,496	151,871	129,090	205,026	235,400	250,587	258,181

Notes: See Sheet 5 for notes.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Rate Tables - \$100,000/\$300,000 Limits
Florida**Territory 001 - Dade and Broward Counties**

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	3,924	6,104	9,941	10,879	11,555	9,822	15,599	17,910	19,066	19,644
2	4,905	7,739	12,728	13,946	14,825	12,601	20,014	22,979	24,461	25,203
3	7,194	11,555	19,229	21,104	22,456	19,088	30,316	34,807	37,052	38,175
4	8,829	14,280	23,873	26,217	27,906	23,720	37,673	43,254	46,045	47,440
5	10,465	17,005	28,517	31,329	33,357	28,353	45,032	51,703	55,039	56,707
6	11,446	18,640	31,303	34,397	36,627	31,133	49,446	56,772	60,435	62,266
7	13,735	22,456	37,805	41,555	44,258	37,619	59,748	68,600	73,026	75,239
8	15,370	25,181	42,449	46,667	49,709	42,253	67,107	77,049	82,020	84,505
9	17,005	27,906	47,093	51,780	55,159	46,885	74,465	85,496	91,012	93,770
10	20,276	33,357	56,380	62,005	66,061	56,152	89,182	102,395	109,001	112,304
11	23,546	38,808	65,668	72,231	76,962	65,418	103,899	119,291	126,987	130,835
12	26,816	44,258	74,956	82,456	87,863	74,684	118,615	136,188	144,974	149,367
13	30,087	49,709	84,244	92,681	98,764	83,949	133,331	153,084	162,961	167,899
14	33,357	55,159	93,532	102,907	109,665	93,215	148,048	169,981	180,947	186,431
15	46,438	76,962	130,683	143,808	153,270	130,280	206,915	237,569	252,896	260,559

Territory 002 - Palm Beach County

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	3,539	5,463	8,849	9,676	10,272	8,731	13,867	15,922	16,949	17,462
2	4,405	6,906	11,307	12,383	13,158	11,184	17,763	20,395	21,711	22,369
3	6,425	10,272	17,044	18,698	19,891	16,907	26,853	30,831	32,820	33,815
4	7,868	12,677	21,141	23,209	24,700	20,995	33,345	38,285	40,755	41,990
5	9,310	15,082	25,239	27,721	29,510	25,084	39,839	45,741	48,692	50,167
6	10,176	16,524	27,697	30,427	32,395	27,536	43,733	50,212	53,452	55,072
7	12,196	19,891	33,434	36,743	39,128	33,259	52,823	60,648	64,561	66,518
8	13,639	22,296	37,532	41,254	43,938	37,347	59,316	68,104	72,498	74,695
9	15,082	24,700	41,629	45,765	48,747	41,435	65,808	75,558	80,433	82,870
10	17,967	29,510	49,824	54,788	58,366	49,611	78,794	90,467	96,304	99,222
11	20,853	34,319	58,019	63,810	67,984	57,786	91,778	105,375	112,174	115,573
12	23,738	39,128	66,215	72,832	77,603	65,963	104,764	120,285	128,045	131,925
13	26,624	43,938	74,410	81,855	87,222	74,139	117,750	135,194	143,916	148,277
14	29,510	48,747	82,605	90,877	96,840	82,314	130,734	150,102	159,786	164,628
15	41,052	67,984	115,385	126,966	135,315	115,018	182,675	209,738	223,270	230,036

Territory 003 - Remainder of State

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	2,577	3,860	6,117	6,668	7,066	6,006	9,539	10,952	11,659	12,012
2	3,154	4,822	7,756	8,473	8,990	7,642	12,137	13,935	14,834	15,283
3	4,501	7,066	11,580	12,683	13,478	11,456	18,195	20,891	22,239	22,913
4	5,463	8,669	14,312	15,691	16,685	14,182	22,525	25,862	27,530	28,365
5	6,425	10,272	17,044	18,698	19,891	16,907	26,853	30,831	32,820	33,815
6	7,002	11,234	18,683	20,503	21,815	18,543	29,450	33,813	35,995	37,086
7	8,348	13,478	22,507	24,713	26,303	22,358	35,509	40,770	43,400	44,715
8	9,310	15,082	25,239	27,721	29,510	25,084	39,839	45,741	48,692	50,167
9	10,272	16,685	27,971	30,728	32,716	27,809	44,167	50,710	53,981	55,617
10	12,196	19,891	33,434	36,743	39,128	33,259	52,823	60,648	64,561	66,518
11	14,120	23,097	38,897	42,758	45,541	38,710	61,480	70,589	75,143	77,420
12	16,043	26,303	44,361	48,773	51,953	44,160	70,137	80,527	85,722	88,320
13	17,967	29,510	49,824	54,788	58,366	49,611	78,794	90,467	96,304	99,222
14	19,891	32,716	55,288	60,802	64,778	55,061	87,450	100,406	106,884	110,123
15	27,586	45,541	77,141	84,862	90,428	76,864	122,078	140,163	149,206	153,728

Territory 004 - Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie, and Volusia Counties

Class	Claims-Made Coverage Year					Reporting Endorsement at End of Year				
	1	2	3	4	5+	1	2	3	4	5+
1	3,058	4,661	7,483	8,172	8,669	7,369	11,703	13,437	14,304	14,737
2	3,780	5,864	9,532	10,428	11,074	9,413	14,950	17,165	18,272	18,826
3	5,463	8,669	14,312	15,691	16,685	14,182	22,525	25,862	27,530	28,365
4	6,665	10,673	17,727	19,450	20,692	17,588	27,934	32,073	34,142	35,176
5	7,868	12,677	21,141	23,209	24,700	20,995	33,345	38,285	40,755	41,990
6	8,589	13,879	23,190	25,465	27,105	23,039	36,592	42,013	44,723	46,079
7	10,272	16,685	27,971	30,728	32,716	27,809	44,167	50,710	53,981	55,617
8	11,475	18,689	31,385	34,487	36,724	31,215	49,577	56,922	60,595	62,431
9	12,677	20,692	34,800	38,247	40,731	34,621	54,987	63,133	67,206	69,243
10	15,082	24,700	41,629	45,765	48,747	41,435	65,808	75,558	80,433	82,870
11	17,486	28,708	48,458	53,284	56,763	48,249	76,630	87,983	93,659	96,497
12	19,891	32,716	55,288	60,802	64,778	55,061	87,450	100,406	106,884	110,123
13	22,296	36,724	62,117	68,321	72,794	61,875	98,272	112,831	120,110	123,750
14	24,700	40,731	68,946	75,840	80,809	68,688	109,092	125,254	133,335	137,375
15	34,319	56,763	96,263	105,914	112,872	95,941	152,377	174,952	186,239	191,882

Notes: See Sheet 5 for notes.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Rate Tables - Notes
Florida

Rates are calculated as:

$$\frac{\{\text{Base Pure Premium} \times \text{ULAE Load} \times \text{Class Rel} \times \text{Step Factor} \times \text{ILF} \times \text{Terr Factor} \times \text{Tort Reform}\} + \text{Fixed Expense}}{\{(1.0 - \text{Variable Expense Load} - \text{DD\&R Load}) \times (1.0 - \text{Premium Discount Off-Balance})\}}$$

Where the base pure premium for ratemaking purposes is calculated as Item (1) from Exhibit 1, adjusted for any discrepancy between the indicated rate change from item (14) and the selected rate change from item (15), and by the applicable off-balance factors as shown in items (10), and (11).

In other words, the base pure premium for ratemaking purposes is equal to:

$$= \{\$11,875 \times 1.000 \times 1.000\}$$

$$= \$11,875$$

See Exhibit 1 for fixed expenses, variable expenses, and premium discount off-balance, Items (6), (7), and (9), respectively.

See Presumptive, Exhibit 2 for Presumed Factors by policy limit.

For example, the class 5, 3rd year claims-made rate for Territory 1 at \$1M/\$3M limits is equal to:

$$\frac{\{\$11,875 \times 1.095 \times 1.500 \times 0.852 \times 1.624 \times 1.700 \times 0.913\} + \$475}{\{(1.0 - 0.069 - 0.050) \times (1.0 - 0.175)\}}$$

Reporting Endorsement rates are equal to the mature claims-made rate times the applicable tail factor.

ProNational Insurance Company

Presumptive
Notes

Physicians and Surgeons Professional Liability
Calculation of PN Specific Presumptive Factor
Utilizing Deloitte Format

Florida

Rates have been calculated using historical loss experience, with a provision for anticipated loss cost reductions attributable to the tort reform package passed by the Florida Legislature, effective September 15, 2003. On November 11, 2003, the Florida Office of Insurance Regulation (OIR) provided a rate reduction factor to account for the presumed effect of the tort reform law to all medical malpractice insurers. On February 5, 2004, the OIR provided a rate reduction factor to account specifically for the presumed effect of the tort reform law on Emergency Room physicians. As specified by the legislation and per the reports prepared by Deloitte for the OIR, we have adjusted the presumed factor to more accurately reflect our book of business. The final presumed factor issued by the OIR was 7.8%. To more accurately reflect loss costs at varying limits, we have created factors by policy limit. The final factors to be applied to the pure premiums range from 3.4% at \$250,000 limits to 8.7% at \$1M limits. The steps and assumptions as documented in the OIR report were adopted with no exceptions to derive factors by limit. See Presumptive, Exhibit 1 and Exhibit 2 for details of the calculations. For Emergency Room physicians, we adopted the additional savings for this classification by revising the assignment of these specialties by class, effective with our rate filing of 01/01/2005. See Presumptive, Exhibit 3 of that filing for details.

Physicians and Surgeons Professional Liability
Calculation of PN Specific Presumptive Factor
Utilizing Deloitte Format

Florida

Matrix of Indemnity Savings

	Policy Limits	Number of Claimants and/or Defendants			
		1/1	2/2	3/3	4/4
A.	Practitioner (from Deloitte report, p. 53)				
	\$100K	0.0%	0.0%	0.0%	0.7%
	\$250K	1.5%	1.3%	2.4%	3.0%
	\$500K	3.5%	3.0%	6.2%	8.6%
	\$1M	16.9%	10.8%	12.6%	13.5%
	\$2M	26.5%	16.0%	16.1%	16.1%
	\$5M	31.8%	19.0%	17.9%	17.5%
B.	Non-Practitioner (from Deloitte report, p. 53)				
	\$100K	0.0%	0.0%	0.0%	0.0%
	\$250K	0.0%	0.0%	0.0%	0.0%
	\$500K	0.0%	0.0%	0.0%	1.5%
	\$1M	2.3%	1.8%	5.5%	8.6%
	\$2M	11.8%	9.9%	14.2%	16.4%
	\$5M	24.0%	19.4%	19.1%	18.6%
	\$100M	30.2%	19.9%	19.1%	18.6%
C.	Practitioner Weight (from Deloitte report, p. 53)				
		85.0%	85.0%	85.0%	85.0%
D.	Weighted Practitioner/Non-Practitioner Indemnity Savings (Weighted average of A. and B., based on weights shown in C.)				
	Policy Limits	Number of Claimants and/or Defendants			
		1/1	2/2	3/3	4/4
	\$100K	0.0%	0.0%	0.0%	0.6%
	\$250K	1.3%	1.1%	2.0%	2.6%
	\$500K	3.0%	2.6%	5.3%	7.5%
	\$1M	14.7%	9.5%	11.5%	12.8%
	\$2M	24.3%	15.1%	15.8%	16.1%
	\$5M	30.6%	19.1%	18.1%	17.7%
	\$100M	30.2%	19.9%	19.1%	18.6%
E.	Claimant/Defendant Assumptions (from Deloitte report, p. 54, Step 2)				
	Selected Allocation	25.0%	50.0%	20.0%	5.0%

ProNational Insurance Company

Presumptive
Exhibit 2

Physicians and Surgeons Professional Liability
Calculation of PN Specific Presumptive Factor
Utilizing Deloitte Format

Florida

F. Indemnity Savings, Adjusted for Avg. # of Claimants/Defendants

Policy Limits	D. Weighted by E.
\$100K	0.0%
\$250K	1.4%
\$500K	3.4%
\$1M	11.3%
\$2M	17.6%
\$5M	21.7%
\$100M	22.3%

G. Severity Injury Code

(Value for 1-3 taken from Deloitte report, p. 54, Step 3)

4-9 (=F.)	1-3
0.0%	2.5%
1.4%	2.5%
3.4%	2.5%
11.3%	2.5%
17.6%	2.5%
21.7%	2.5%
22.3%	2.5%

H. Indemnity Savings, Adjusted for Severity Severity Injury

(Weights taken from Deloitte report, p. 54, Step 3; Equals 92% of G1 and 8% of G2)

0.2%
1.5%
3.4%
10.6%
16.4%
20.2%
20.7%

I. Indemnity Savings

(Value for ALAE taken from Deloitte report, p. 54, Step4)

Policy Limits	Indemnity (=H.)	ALAE
\$100K	0.2%	0.0%
\$250K	1.5%	0.0%
\$500K	3.4%	0.0%
\$1M	10.6%	0.0%
\$2M	16.4%	0.0%
\$5M	20.2%	0.0%
\$100M	20.7%	0.0%

J. Selected Indemnity/ALAE Allocation

(Taken from Deloitte report, p. 54, Step4)

Indemnity	ALAE
69.0%	31.0%
69.0%	31.0%
69.0%	31.0%
69.0%	31.0%
69.0%	31.0%
69.0%	31.0%
69.0%	31.0%

K. Indemnity Savings, Adjusted for Indemnity/ALAE Distribution

Policy Limits	{{(I1xJ1) + (I2xJ2)}
\$100K	0.2%
\$250K	1.0%
\$500K	2.3%
\$1M	7.3%
\$2M	11.3%
\$5M	13.9%
\$100M	14.3%

L. Indemnity Savings, Adjusted for Phase in Adjustment

(L1 = KxPhase in adjustment factor of 0.85 taken from Deloitte report, p. 54, Step 5; L2 is from Deloitte report, p. 65; L3 = 1.0 - L1 - L2)

Presumed Factor	Savings-Bad Faith Change	Pure Prem Adj. Factor
0.1%	2.5%	0.974
0.9%	2.5%	0.966
2.0%	2.5%	0.955
6.2%	2.5%	0.913
9.6%	2.5%	0.879
11.8%	2.5%	0.857
12.1%	2.5%	0.854

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Profit and Contingencies Load
TMAC, PN and NCRIC Combined Countrywide, Medical Malpractice Direct Business Written
Florida

	Claims-Made
Estimated Investment Income on Unearned Premium and Loss Reserves (\$000's)	
(1) Mean Unearned Premium Reserve (UPR) as % of Direct Written Premium (WP)	48.59%
(2) Average Agents' Balances and Uncollected Premiums as % of Direct WP	21.06%
(3) Prepaid Expenses (commissions & brokerage fees, taxes, other) as % of Direct WP	11.20%
(4) Other Income Less Other Expense	-1.35%
(5) Deduction for Federal Income Tax Payable: $[20\% \times (1) \times 35\% \text{ Federal Income Tax Rate}]$	3.40%
(6) UPR Subject to Investment Income as % of Direct WP: $[(1) \times \{1.00 - (2) - (3) + (4) - (5)\}]$	30.61%
(7) Premium Discount Provision	17.50%
(8) UPR subject to Investment Income as % of Manual Premium: $[(6) \times \{1 - (7)\}]$	25.25%
(9) Expected Incurred Loss & LAE as % of Manual Premium	63.61%
(10) Ratio of Loss & LAE Reserves to Incurred Losses	3.117
(11) Expected Loss & LAE Reserves as % of Manual Premium: $[(9) \times (10)]$	198.27%
(12) Average IRS Loss Reserve Discount Factor on Loss and LAE Reserves	10.40%
(13) Loss and LAE Reserves Available for Investment as % of Manual Premium $[(11) + (4)] \times \{1 - [(12) \times 35\%]\}$	189.75%
(14) Total Reserves subject to Investment as % of Manual Premium: $[(8) + (13)]$	215.00%
(15) Expected Pre-Tax Investment Yield: [Sheet 2]	4.25%
(16) Pre-Tax Investment Earnings on Total Reserves subject to Investment as % of Manual Premium: $[(14) \times (15)]$	9.14%
Profit Loading Provision	
(17) Required After Tax Rate of Return On Surplus	13.00%
(18) Federal Income Tax Rate	35.00%
(19) Required Pre-Tax Rate of Return On Surplus: $[(17) / \{1.0 - (18)\}]$	20.00%
(20) Expected Pre-Tax Return on Surplus Funds: [Sheet 2]	4.25%
(21) Required Pre-Tax Return from Insurance Operations as a Percent of Surplus: $[(19) - (20)]$	15.75%
(22) Premium to Surplus Ratio	1.00
(23) Required Return from Insurance Operations as % of Charged Premium: $[(21) / (22)]$	15.75%
(24) Premium Discount Provision	17.50%
(25) Required Return from Insurance Operations as % of Manual Premium: $[(23) \times \{1 - (24)\}]$	12.99%
(26) OIR Calculated Investment Income Earnings: [Exhibit 10 of Rate Analysis]	9.2%
(27) Reduction to adjust final indication to a capped value of 5.0%	8.1%
Profit Provision	
(28) Profit Provision Net of Investment Income as % of Manual Premium: $[(25) - \{(16) - (26)\} - (27)]$	5.0%

- Notes: (1),(2) Based on average values for 2003-2005 PN Insurance Expense Exhibits.
(3) = Selected for PN based on historic company experience.
(5) 20% of the change in unearned premium reserve is included in federal taxable income. Taxes paid as a result of this provision are unavailable for investment.
(9) This value represents the percentage of the manual premium, i.e. premium before the application of premium credits and debits, that is attributable to loss and loss adjustment expenses. In other words, that portion of the manual premium that will not go towards corporate costs such as overhead expenses. The actual formula is as follows:

$$\{1.0 - \text{Variable Expense Load} - \text{DD\&R Load from} - \text{Fixed Expense \%}\}$$
where the fixed expenses of \$475 represents 1.4% of premium.
(10) Based on claims-made portion of unpaid and incurred loss and LAE values as taken from 2003-2005 PN and TMAC Insurance Expense Exhibits. The actual formula is as follows:
Average of A and B, where;

$$A = \{ (\text{Average of 2003 and 2004 Unpaid Loss and LAE}) / (\text{2004 Incurred Loss and LAE}) \}, \text{ and}$$

$$B = \{ (\text{Average of 2004 and 2005 Unpaid Loss and LAE}) / (\text{2005 Incurred Loss and LAE}) \}.$$
(12) From IRS Revenue Procedure 2005-49.
(13) Adjusts {item (11) plus item (4)} for federal tax payable due to IRS loss reserve discounting.

ProNational Insurance Company

Physicians and Surgeons Professional Liability
Investment Income
TMAC, PN, and NCRIC Combined Countrywide, Medical Malpractice Direct Business Written
Florida

Investment Income as a % of Invested Assets, Including Net Realized Capital Gains/Losses

Historical Earnings Levels

Cal. Yr. (1)	Net Investment Gain (2)	Invested Assets (3)	Inv. Inc. to Invested Assets (4)
2001	87,630,321	1,517,219,472	5.68%
2002	74,114,271	1,677,040,821	4.64%
2003	70,979,773	1,960,084,363	3.90%
2004	80,797,061	2,308,087,482	3.79%
2005	94,575,132	2,672,071,420	3.80%

Future Earnings Levels

Maturity Distri- bution (5)	Calendar Year 2005 Bond Holdings (6)	08/06 U.S. Treasury Rate (7)
<=1yr	369,707,184	5.13%
2-5 yrs	921,982,032	4.94%
6-10yrs	852,235,143	4.94%
11-20yrs	148,560,493	5.00%
>20yrs	64,208,980	5.06%
Total	2,356,693,832	4.98%

(8) Prior Selected	3.80%
(9) Projected	4.25%

Notes: (2) From Page 4 of historical Annual Statements.
(3) From Page 2 of historical Annual Statements.
(4) = Column 2 divided by average of current and prior calendar year entry for Column (3).



PHYSICIANS AND SURGEONS
UNDERWRITING RULES AND RATES

FLORIDA MANUAL

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SECTION 1

INTRODUCTION

INTRODUCTION

This manual contains the classifications and rates governing the underwriting of Physicians and Surgeons Professional Liability Insurance by ProNational Insurance Company, Inc., hereinafter referred to as "the Company."

I. RATES AND PREMIUM CALCULATIONS

- A. Rates apply on a "per incident" and annual aggregate basis. The rates for the premium classifications selected by the Company or any special situations not delineated herein are those described in the Professional Liability State Rates and Exceptions Section of this manual, with an annual minimum premium being \$500 (not applicable to paramedicals). If an individual's practice involves two or more rating territories or rating classifications, the highest rating territory or classification applies. Endorsements adding risks/exposures mid-term will be rated in accordance with the Rates and Rules in effect as of the endorsement effective date. Subject to Section 3, VIII. (Rate Adjustments for Changes in Exposure) of this manual, Reporting Endorsements will be rated in accordance with the Rates and Rules in effect as of the endorsement effective date. Subject to Section 3, VIII. (Rate Adjustments for Changes in Exposure) of this manual, endorsements effecting changes on risks/exposures currently insured will be rated using the Rules (e.g., rating classification, limits of liability and rating territory) in effect on the date of the change combined with the Rates in effect on the later date of either i) the policy term effective date or ii) risk effective date.
- B. Refer to the Company for: Agents should refer to the Company any risk meeting one of the following criteria: a) Any risk or exposure for which there is no manual rate or applicable classification, or b) Risks developing annualized premium of \$100,000 or more for basic limits for individual, (a), rating.
- C. Non-Standard Risks: Individuals rejected for standard coverage by the Company may be individually considered for coverage at an additional premium charge or other applicable coverage conditions and limitations on an individually agreed, consent-to-rate basis.
- D. Whole Dollar Premium Rule: The premiums appearing in the State Rates and Exceptions Section of this manual have been rounded to the nearest whole dollar. This procedure shall also apply to all interim premium adjustments, including endorsements or cancellations. A premium involving \$.50 or over, shall be rounded to the next higher whole dollar.

II. CANCELLATIONS

Cancellations shall be made only within the parameters established by the State of policy issuance as framed in the Cancellation provisions of the policy including any State-specific endorsement thereto.

- A. By the Company: The earned premium shall be determined on a "pro rata" basis.
- B. By the Insured: The earned premium shall be determined on a "short rate" basis.
- C. Removal from the State: Subject to state provisions, the policy may be canceled by the Company after the insured no longer maintains at least 75% of his medical practice within the state of issuance, regardless of whether notice has been given by the insured.

SECTION 2

PHYSICIANS & SURGEONS SPECIALTY CODES AND DESCRIPTIONS

PHYSICIANS' & SURGEONS' SPECIALTY CLASSIFICATIONS & CODES

Column Heading Definitions

No Surgery: General practitioners and specialists who do not perform surgery or assist in surgery. Incision of boils and superficial abscesses and suturing of skin and superficial fascia are not considered surgery.

Minor Surgery: General practitioners and specialists who perform minor surgery or invasive procedures for diagnostic purposes, or who assist in major surgery on their own patients.

Major Surgery: General practitioners and specialists who perform major surgery on their own patients, or who assist in major surgery on patients of others.

<u>Specialty</u>	<u>No Surgery</u>	<u>Industry Class Code</u>	
		<u>Minor Surgery</u>	<u>All Other Surgery</u>
Administrative Medicine	80178	-	-
Allergy	80254	-	-
Anesthesiology	-	-	80151
Bariatrics			80476
Cardiovascular Disease	80255	80281(A) 80281(B)-specified procedures	80150
Colon & Rectal			80115
Dermatopathology		80474	
Dermatology	80256(A)	80282	80472
Dermatology This classification applies to any dermatologist who performs the following procedures: a) excision of skin lesions with graft or flap repair; b) collagen injections.	80256(B)		-
Emergency Medicine This classification applies to any general practitioner or specialist primarily engaged in emergency practice at a clinic, hospital or rescue facility.		80102(C)	-
Emergency Medicine - Moonlighting (Refer to Classification and/or Rating Modifications & Procedures Section)	80102(A)	80102(B)	-

PHYSICIANS' & SURGEONS' SPECIALTY CLASSIFICATIONS & CODES

<u>Specialty</u>	<u>No Surgery</u>	<u>Industry Class Code Minor Surgery</u>	<u>All Other Surgery</u>
Family Practitioner or General Practitioner - Limited Obstetrics	-	-	80117(B)
Family Practitioner or General Practitioner – Significant Obstetrics			80117(C)
Family Practitioner or General Practitioner - No Obstetrics	80420	80421(A)* 80421(B)* 80421(C)*	80117(A)
Forensic/Legal Medicine	80240	-	-
Gastroenterology	80241	80274	
General – N.O.C. This classification does not apply to any family or general practitioners or specialists who occasionally perform surgery.			80143
General Preventive Medicine	80231	-	-
Gynecology	80244	80277	80167
Hand			80169
Hematology	80245	80278	-
Intensive Care Medicine		80283	-
Internal Medicine	80257	80284	-
Nephrology	80260	80287	
Neurology	80261	80288	80152
Obstetrics/Gynecology			80153
Occupational Medicine	80233	-	-
Oncology	80473	80286	-
Ophthalmology	80263	80289	80114
Orthopedic – No Spinal Surgery			80154(A)
Orthopedic – Including Spinal Surgery			80154(B)

* refer to Classification and/or Rating Modifications & Procedures Section for further definition

PHYSICIANS' & SURGEONS' SPECIALTY CLASSIFICATIONS & CODES

<u>Specialty</u>	<u>No Surgery</u>	<u>Industry Class Minor Surgery</u>	<u>Code All Other Surgery</u>
Otorhinolaryngology	80265	80291	80159
Otorhinolaryngology – Including Plastic			80155
Pain Management	80475(A)		80475(B) 80475(C) 80475(D)
Pathology	80266		-
Pediatrics	80267	80293**	-
Physical Medicine & Rehabilitation	80235	-	-
Physicians - N.O.C.	80268	80294	-
Plastic			80156
Podiatrist	80620		80621
Psychiatry	80249	-	-
Psychiatry Including Shock Therapy	80431	-	-
Public Health	80236	-	-
Pulmonary Diseases	80269	***	-
Radiology - Diagnostic	80253	80280	-
Radiology - Including Radiation Therapy	-	80425	-
Radiology – Interventional	-	80360	-
Rheumatology	80252	***	-
Semi-Retired Physicians (Refer to Classification and/or Rating Modifications and Procedures Section.)	80179	-	-
Thoracic	-	-	80144
Traumatic	-	-	80171
Vascular	-	-	80146
Urgent Care (Non-ER, no surgery)	80424	-	-
Urology	80145(A)	80145(B)	80145(C)

** For rating purposes, include Neonatology in this risk class.

*** See Internal Medicine – Minor Surgery.

SECTION 3

CLASSIFICATION AND/OR RATING MODIFICATIONS AND PROCEDURES

CLASSIFICATION AND/OR RATING MODIFICATIONS AND PROCEDURES

I. "MOONLIGHTING" PHYSICIANS

Physicians and surgeons who perform covered "moonlighting" activities may be eligible to be insured at 50% of the rate applicable to the specialty in which the physician or surgeon is "moonlighting."

Covered "moonlighting" activities include:

- A. Physicians and surgeons in active, full-time military service requesting coverage for outside activities.
- B. Full-time Federal Government employed physicians and surgeons (such as V.A. Hospital employees) requesting coverage for outside activities.
- C. Physicians and surgeons employed full-time by the State or County Health Department requesting coverage for outside activities.
- D. Residents or Fellows currently attending their training program who are requesting coverage for outside activities but only while they are enrolled in such program.

II. FELLOWS, RESIDENTS AND INTERNS

- A. Coverage may be written for fellows, residents and interns practicing within the scope of their training in the teaching environment. The rate shall generally be 50% of the appropriate specialty classification, but may vary from 25% to 75% depending upon the clinical exposure of each individual rated.
- B. If fellows, residents and interns wish to practice outside their training program, coverage may be written at a rate equal to 50% of the appropriate specialty classification. (HOWEVER, the appropriate rate for any fellow, resident or intern practicing in an emergency room setting is the Emergency Room Moonlighting Class Code 80102(A).
- C. Residents who continue to practice in the Emergency Room (part-time or full-time) during an interruption in their training for a period of time not to exceed one year, may qualify for the premium assigned to Class Code 80102(B) if they have no other clinical activities.

III. FAMILY PRACTICE / GENERAL PRACTICE - MINOR SURGERY

Those Family Practice/General Practice Physicians who perform minor surgery procedures and/or assist in surgery on their own or other than their own patients will be classified as follows:

<u>Classification</u>	<u>Rating Criteria:</u>
80421(A)	Assist in major surgery on their own patients only (do not also perform minor surgical procedures).
80421(B)	Perform minor surgical procedures (may also assist in major surgery on their own patients).
80421(C)	Assist in major surgery on the patients of others (may also perform minor surgical procedures and/or assist in major surgery on their own patients).

IV. PART-TIME AND SEMI-RETIRED PHYSICIANS

The Part-Time Discount is available to physicians and surgeons only, not dentists or oral surgeons:

- A. who have at least 15 years of postgraduate clinical practice experience and are scaling back their practice in anticipation of retirement; or
- B. who practice less than 20 hours per week due to family needs (caring for young children and/or ill or disabled family members); or
- C. who are required to practice on a reduced basis as a result of a physical or medical condition, with the company's approval; or
- D. who practice at least 30 hours per week at a hospital, community health center or other health care facility where medical professional liability insurance is provided by the facility. A certificate of insurance listing the Company as certificate holder must be presented annually for the credit to apply.

Insureds eligible for the New Doctor Discount are not eligible for the Part-Time Discount. Also, physicians employing or supervising paramedicals are not eligible for the Part-Time Discount.

This discount is intended to more accurately rate the insured who practices his specialty on a limited basis. The available discounts are:

		<u>Average Weekly Practice</u>
<u>TYPE</u>	<u>Class</u>	<u>Hours <20 hours</u>
Physician	1 to 7	50%
Surgeon	8 to 15	35%
All other		None

* Physicians and Surgeons whose average weekly practice hours of less than 12 hours will be individually evaluated by the company.

Practice hours are defined as:

- hospital rounds,
- charting and patient planning,
- on call hours involving patient contact, whether direct or by telephone,
- consultation with other physicians, and
- patient visits/consultations.

Practice hours of physicians receiving the Part-Time Discount are subject to random audit by the Company.

V. LOCUM TENENS

Locum tenens coverage is provided at no additional charge for up to 45 days in any policy year and provides a shared limit with the insured. The locum tenens doctor must submit an application for Company approval in advance of the requested effective date of coverage.

VI. CORPORATE LIABILITY - SHARED LIMIT

No charge will be made for entities sharing in the available limits of liability of the insured physicians or other insured organizations, providing each physician member is insured by the Company and the risk is otherwise acceptable.

VII. FULL-TIME EQUIVALENT RATING

Rating of certain multi-physician groups may, at the Company's option, be determined on a full-time equivalent (FTE) unit basis. Under this rating method, policies may be issued to positions with individuals who may fill such positions identified rather than being issued to specific individuals. An FTE rate will be determined based upon the filed and approved rate for a given classification of physicians or surgeons but will be allocated based upon either the number of average hours of practice for a given specialty or the average number of patient contacts/visits in a 12 month period. A risk with fewer than 50,000 patient encounters each year will not qualify for full-time equivalent rating.

All FTE rated applications shall be referred to the Company.

VIII. RATE ADJUSTMENTS FOR CHANGES IN EXPOSURE -- CLAIMS-MADE, RETROACTIVE, AND REPORTING ENDORSEMENT COVERAGE

A. Claims-Made Coverage

The calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes in practice specialty, changes in rating territory or practice in other states, changes between part-time and full-time practice, and other changes that would affect a calculated rate. Currently approved rates, classification tables and discount or surcharge factors for the appropriate state(s) are used. This method can be generalized by using the following formula to calculate a rate for the upcoming year.

1. Rate for current practice, determined using a retroactive date equal to the date that the *current* practice patterns began,
2. plus rate for prior practice, determined using a retroactive date equal to the date that the *previous* practice patterns began,
3. less rate for prior practice, determined using a retroactive date equal to the date that the *current* practice patterns began.

This method is applied in a similar manner if more than one practice change occurred during the previous four years, and the components are pro-rated if the change occurred at a date other than the policy anniversary date.

For example, if a physician had practiced obstetrics and gynecology for many years, then stopped practicing obstetrics and began to practice gynecology only, the appropriate premium for the upcoming policy period would be:

Gynecology rate for claims-made year one,
plus OB/GYN rate for claims-made year five,
less OB/GYN rate for claims-made year one.

This produces a blended rate, reflecting the remaining OB/GYN exposure that makes up the majority of the expected reported claims in the upcoming year, plus the initial gynecology exposure.

The rate for the second year of gynecology-only practice would be:

Gynecology rate for claims-made year two,
plus OB/GYN rate for claims-made year five,
less OB/GYN rate for claims-made year two.

This adjustment process continues for two more years, until the beginning of the fifth year in the new specialty. At that time, the blended rate would be:

Gynecology rate for claims-made year five,
plus OB/GYN rate for claims-made year five,
less OB/GYN rate for claims-made year five,

which is simply equal to the gynecology rate for claims-made year five.

Although this method of adjusting rates is designed to accommodate most situations, changes in medical practice often result from increasing or decreasing patient loads, additional medical training, relocation of the practice, gradual reduction in practice nearing retirement and other underwriting factors which affect the risk of loss. As a result, the Company may choose to waive the exposure change adjustment process in specific situations, thereby utilizing the current rating variables without modification. Conversely, a debit under the Scheduled Rating Plan may be applied at the underwriter's discretion, based on more than five years of practice in specialties with long claim emergence patterns, such as Pediatrics or Obstetrics.

B. Prior Acts Coverage

When prior acts coverage is provided, the same method is utilized, as if the insured had been with the Company during the prior acts period. Practice information regarding the prior acts period is obtained from the insurance application.

C. Reporting Endorsement Coverage

If reporting endorsement coverage is to be rated, the same method is utilized, substituting the reporting endorsement rates for the claims-made rates. For example, a reporting endorsement purchased at the end of the second year of gynecology practice in the obstetrics/gynecology example described above would be:

Gynecology reporting endorsement premium for claims-made year two,
plus OB/GYN reporting endorsement premium for claims-made year five,
less OB/GYN reporting endorsement premium for claims-made year two.

IX. REPORTING ENDORSEMENTS (Claims-made only)

A. Reporting Endorsement Premium Calculation

With respect to calculation of Reporting Endorsement premium, the only credits/discounts that apply are the Part-Time Discount and Deductibles credit. All debit/surcharges will apply to Reporting Endorsement premium calculations. With respect to risks or exposures written on a consent-to-rate basis, (a) rated basis or Full-Time Equivalent Rating basis at the time the Reporting Endorsement is issued, Reporting Endorsement premium will be calculated on that same basis. If the policy is terminated during the first year, pro-rate the tail premium. For terminations during the second, third or fourth claims-made policy year, blend the applicable tail factors. The Company may refuse to offer deductible options for premium credit on reporting endorsements in the case of insufficient securitization.

B. Waiver of Reporting Endorsement Premium

The premium for the reporting endorsement may be waived as provided by the contract in force or at the discretion of the Company.

X. RATE CHANGE AMELIORATION

In situations where a rate change affects a single specialty by greater than 30%, a credit up to 25% may be applied to the new premium for an affected insured to lessen the single year impact of such a significant increase if, based on the underwriter's evaluation of the quality of the risk, such consideration is warranted. The underwriter will consider training and experience, longevity with the company, practice situation and claims history when making any such recommendation. Management approval is required.

SECTION 4

PROFESSIONAL LIABILITY DISCOUNTS

PROFESSIONAL LIABILITY DISCOUNTS

I. MAXIMUM CREDIT

Maximum credit available per insured will be limited to 40% except for the following:

- Part-time exposure rating – up to 50%. Deductible credits and attendance of a ProAssurance Loss Prevention Seminar credit may be combined with the part-time credit but no other credits or discounts apply.
- New doctor discounts – up to 50%. Deductible credits may be combined with the New Doctor discount but no other credits or discounts apply.
- Deductibles/Self-Insured Retentions
- Risks developing \$100,000 or more annualized premium

II. NEW DOCTOR DISCOUNT

This discount will apply only to solo practicing physicians who have never been in practice and proceed directly into practice from training, or physicians who fit within that category except for an interim period of employment not to exceed two years. Physicians who would otherwise qualify but who are joining an established group practice insured by the Company where their clinical exposure will not exceed 30 hours per week are to be submitted to the Company for rating.

<u>Year of Coverage Since Training</u>	<u>Annual Premium Discount Per Policy</u>
Year 1	50 %
Year 2	25 %
Year 3	0%

III. RISK MANAGEMENT PREMIUM CREDITS

Insureds who participate in risk management activities approved by the Company are eligible for the following premium credits, up to a maximum of 10%.

- A. Individual Risk Management Activities: Individual insureds may receive premium credits as indicated for completion, within the 12 months prior to application, of the following activities:

<u>Activity</u>	<u>Credit</u>
1. Successful completion of an approved fee-for-Service office analysis and education program. Positive response to recommendations made may result in the application of this credit for up to three policy years. Applicable only to accounts generating \$250,000 or more in annual premium.	0% - 5%
2. a. A Company sponsored Loss Prevention or other approved risk management seminar carrying at least two CME credits (annual); and/or,	0% - 5%

- b. an approved closed claim review (annual);
and/or 0% - 5%
- c. successful completion of an approved risk
management correspondence course carrying
at least two CME credits (annual). 0% - 5%
- 3. Demonstrated regular use of an approved patient
information system or program. 0% - 5%

Educational activities must qualify for Continuing Medical Education credit (where applicable) to be acceptable for risk management credits. The applicant must provide proof (Certificate) of CME credits earned at the time of application. Activities submitted for risk management credits must have been completed within twelve months prior to application.

B. In addition to the above, any physician or surgeon whose practice benefits from the risk management activities of an employed practice administrator or risk manager may receive one of the following credits:

- 1. If the practice employs a full-time, qualified, professional risk manager primarily engaged in risk management and loss prevention activities, each insured may receive up to a 5% credit.
- 2. If the practice administrator or office manager participates in a Company-sponsored Loss Prevention or other risk management seminar, each insured may receive a 2% credit. Certain requirements apply:
 - a. The seminar must be designated by the Company as eligible for practice administrator credit.
 - b. Attendance must occur within the twelve months prior to application.
 - c. At least 75% of the insureds in the practice must qualify for risk management credit as a result of individual risk management activities under the terms of Section III (A)(2), above.
 - d. The practice administrator or office manager must actively manage the practice for thirty or more hours per week. In the case of shared practice management, determination of eligibility will rest with the Company.

C. Any risk management credit may be revoked or withheld for any of the following reasons:

- 1. Failure by an individual insured to certify adherence to risk management guidelines adopted by the Company and in effect at the time of application.
- 2. Demonstrable evidence which indicates that the insured has been or is practicing in violation of guidelines or underwriting criteria adopted by the Company,
- 3. Results of an underwriting audit which show serious deficiencies, including but not limited to non-compliance with specialty risk management guidelines; or
- 4. Evidence of falsification of attendance, credit or completion of risk management activities applied towards a risk management credit.
- 5. Negative claim history.

Information obtained in the process of handling a claim may be used in evaluating an insured with respect to the above condition; however, the filing of a claim or incurring any expense or indemnity on behalf of an insured shall not alone be considered grounds for reducing, revoking or withholding a credit.

IV. HOSPITAL BASED DISCOUNT PROGRAMS

A. Advanced Obstetrical Risk Management Program

Obstetrical services may be targeted with a special Advanced Obstetrical Risk Management Program relating to all phases of obstetrical services in both the physician's office or clinic and in the hospital including, but not limited to, intrapartum fetal surveillance, induction and augmentation of labor, emergency cesarean section times, documentation, and anesthesia. The physician must actively participate in the program in order to receive a discount of up to 10%.

No combination of Risk Management and Advanced Obstetrical Risk Management credits shall exceed 20%.

B. Any hospital based discount may be revoked or withheld for any of the following reasons:

1. Failure by an individual insured to certify adherence to risk management guidelines adopted by the Company and in effect at the time of application.
2. Demonstrable evidence which indicates that the insured has been or is practicing in violation of guidelines or underwriting criteria adopted by the Company.
3. Results of an underwriting audit which show serious deficiencies, including but not limited to non-compliance with specialty risk management guidelines; or
4. Evidence of falsification of attendance, credit or completion of risk management activities applied towards a risk management credit.
5. Negative claim history.

V. SCHEDULED RATING PROGRAM

The Company has determined that significant variability exists in the hazards faced by physicians and surgeons engaged in the practice of medicine. Exposure conditions vary with respect to:

1. Number of years experience in medicine;
2. Number of patient exposures;
3. Organization (if any) and size;
4. Medical standards review and claims review committees;
5. Other risk management practices and procedures;
6. Training, accreditation and credentialing;
7. Continuing Medical Education activities;
8. Professional liability claim experience;
9. Record-keeping practices;
10. Maintenance and utilization of certain monitoring equipment, diagnostic tests or diagnostic procedures;
11. Participation in capitation contracts; and*
12. Insured group maintains differing limits of liability on members.*

In order to recognize these and other factors affecting a particular practitioner or group practice, the Company proposes to apply a debit or credit to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the risk.

The maximum credit will be 25%; the maximum debit will be 25%.

The Scheduled Rating Plan will apply to individuals as well as groups of two or more physicians as the Company becomes aware of variability in the risk characteristics of the individual or group. At the underwriter's discretion, objective credits otherwise applicable to an insured will not be applied in situations where a scheduled debit is deemed necessary.

* NOTE: No credit will be given for #11 or # 12 above.

VI. DEDUCTIBLES

Deductibles may apply either to indemnity only or indemnity and allocated loss adjustment expenses (ALAE). Any discount will apply only to the primary limit premium layer (\$1M/\$3M). Deductibles are subject to approval by the company based on financial statements to be submitted by the insured and financial guarantees as required. The company reserves the right to require acceptable securitization in the amount of the per claim and/or aggregate deductible amount from any insured covered by a policy to which a deductible is attached.

A. Individual Deductibles

See Section 6, State Rates and Exceptions.

B. Group Deductibles

An optional deductible which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per claim deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year.

When an organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below.

See Section 6, State Rates and Exceptions.

C. Self-Insured Retentions

Insureds may self-insure a portion of their professional and general liability risk with the Company's policy attaching in excess of the Self-Insured Retention selected. The Self-Insured Retention limit may include ALAE, or ALAE may be paid pro rata. All such policies must be referred to the Company for special consideration.

VII. GENERAL RULES

- A. Discounts will only be applied to qualifying insureds at the initial issuance of such policy or at the next renewal date.
- B. Discounts will apply in the following order:
1. Deductible Discount (primary premium only).
 2. New Doctor Discount or other resident or part-time, semi-retired discount.
 3. Risk Management Discount and Scheduled Rating (apply the net credit or debit).

Example: Class 1, \$1M/\$3M, 1st year new doctor, Risk Management Seminar within 12 months. \$25,000 deductible. Assume manual rate \$7,500.

\$7,500	Manual Rate for \$1M/\$3M
<u>x .91</u>	Less 9% (Deductible Credit)
6,825	
<u>x .50</u>	Less 50% (New Doctor)
3,413	Applicable Net Premium
<u>x .85</u>	Less 15% (Risk Management Programs, Scheduled Rating)
2,901	Net Premium

- C. Additional practice charges will be applied to the premium after all discounts have been applied.
- D. Corporate Liability premium will be determined after all discounts and surcharges have been applied.

SECTION 5

ADDITIONAL PRACTICE CHARGES

ADDITIONAL PRACTICE CHARGES

I. MEDICAL SERVICES PROVIDED IN A STATE OUTSIDE THE STATE OF POLICY ISSUANCE

Insureds engaging in the routine care and treatment of patients outside the state in which the policy is issued may be subject to appropriate surcharge or credit based upon rates consistent with those charged for a like risk in said state.

II. PARTNERSHIP - CORPORATION - PROFESSIONAL ASSOCIATION COVERAGE

Coverage for partnerships, corporations, or professional associations may be written with a separate limit of liability. The premium charge will be a percentage (selected from the table below) of the sum of each member physician's net individual premium. For each member physician not individually insured, a premium charge will be made equal to 30 % of the appropriate specialty rate if the Company agrees to provide such coverage. In order for the entity to be eligible for coverage under the separate policy, all member physicians must be insured by the Company or another professional liability program acceptable to the Company.

<u>Number of Insureds</u>	<u>\$1M/\$3M Charge</u>	<u>\$500K/\$1.5M</u>	<u>\$250K/\$750K</u>
2 - 5	15.0 %	18.0%	23.0%
6 - 9	12.0 %	17.0%	21.0%
10 - 19	9.0%	13.0%	17.0%
20 - 49	7.0 %	9.0%	13.0%
50 or more	5.0%	7.5%	10.0%

A separate corporate limit is not available for solo practitioners or dentists.

III. PARTNERSHIP-CORPORATION-PROFESSIONAL ASSOCIATION EXTENDED REPORTING ENDORSEMENT COVERAGE

Partnerships, corporations, or professional associations that purchase a separate limit of liability may be eligible to purchase an Extended Reporting Endorsement upon cancellation of the coverage. For the entity to be eligible for the separate limit extended reporting endorsement, all physician members insured on the policy must exercise their right to purchase an individual extended reporting endorsement. The premium charge for the entity extended reporting endorsement will be a percentage of the sum of each member physician's net individual reporting endorsement premium, based on the number of insureds and the table in Paragraph II, above.

IV. PHYSICIAN EXTENDER, PARAMEDICAL, ALLIED HEALTH EMPLOYEE PROFESSIONAL LIABILITY

Professional employees (other than cytotechnologists, dentists, emergency medical technicians, certified registered nurse anesthetists, nurse midwives, nurse practitioners, optometrists, perfusionists, physicians, physicians' assistants, psychologists, surgeons or surgeons' assistants) are automatically included, at no additional charge, as additional insureds under policies issued to their employers. The limits of liability are on a shared basis with the employer.

The following paramedical employees may be individually covered by the Company by payment of an additional premium or covered elsewhere through a program deemed acceptable to the Company with minimum limits of liability equal to or greater than those of the insured employer. Coverage is available on a shared-limits basis or with separate individual limits. To determine the additional premium for the coverage selected, apply the appropriate factor to the premium assigned to Physician Class Codes 80420, 80151, 80153, 80266 or 80114, as specified, for the applicable claims-made year and limits of liability.

(Paramedical employees written on a shared-limits basis will be charged a fourth year claims-made premium regardless of retroactive date and the shared-limits factors stated above will always be applied to a fourth year claims-made premium.)

Employee	(Factors based on 80420)		
	Shared Limits Factor	Separate Limits Factor	Non-insured Vicarious Liability Factor
Physician's Assistant (PA)	0.132	0.400	0.120
Surgeon's Assistant (SA)	0.132	0.400	0.120
Certified Nurse Practitioner (CNP)	0.132	0.400	0.120
Psychologist	0.040	0.111	0.033
Emergency Medical Technician (EMT)	0.004	0.010	0.003
Perfusionist	0.165	0.496	0.148

Employee	(Factors based on 80151)		
	Shared Limits Factor	Separate Limits Factor	Non-insured Vicarious Liability Factor
Certified Nurse Anesthetist (CRNA) – not part of an insured group	N/A	0.350	0.105
CRNA employed by an insured group - separate limits basis	N/A	0.250	0.075
CRNA employed by an insured group – shared limits basis with ratio of CRNAs to anesthesiologists between 2:1 and 4:1	0.150	N/A	N/A
CRNA employed by an insured group – shared limits basis with ratio of CRNAs to anesthesiologists no more than 2:1	0.075	N/A	N/A

For CRNAs employed by an insured performing pain management procedures, use the above factor to the 80475(C) ISO code and applicable rate class.

(If the ratio of employed CRNA's to Anesthesiologists exceeds 4-to-1, the Company may decline to insure the risk, or apply an additional premium, at its sole discretion.)

Employee	(Factors based on 80153)		
	Shared Limits Factor	Separate Limits Factor	Non-insured Vicarious Liability Factor
Certified Nurse Midwife (CNM)	0.116	0.350	0.105

Employee	(Factors based on 80266)		
	Shared Limits Factor	Separate Limits Factor	Non-insured Vicarious Liability Factor
Cytotechnologist	0.100	N/A	N/A

Employee	(Factors based on 80114)		
	Shared Limits Factor	Separate Limits Factor	Non-insured Vicarious Liability Factor
Optometrist	0.025	0.050	0.015

NOTE: When the limits of liability apply on a shared basis with the physicians of the group, the premium charge for the excess limits for the paramedical employees will be calculated at the level that the majority of physicians carry.

V. CLAIMS FREE CREDIT PROGRAM

A physician will be considered claims free for purposes of this credit program if:

1. no loss payment has been made during the Evaluation Period, and
2. the total of allocated loss adjustment expense [ALAE] payments made during the Evaluation Period **plus** any Company established reserves for loss or ALAE does not exceed \$25,000.

Only claims reported during the Evaluation Period shall be included in measuring the payment and reserve criteria stated above. The Evaluation Period is based upon the physician's rating class as defined in the table below and shall end on the effective date of the policy period to be rated. The Evaluation Period shall begin no earlier than the time when the physician first begins the practice of medicine following formal training (residency or a continuous period of residency and fellowships). The Company will review the claims history of each insured or applicant for the purpose of evaluating the applicability of each claim based upon the facts and circumstances of specific claims. Reported incidents that do not involve a demand for damages by a third party or the establishment of an indemnity reserve will not be included in the evaluation.

Class	Evaluation Period
1 – 4	10 Yrs.
5 – 9	7 Yrs.
10 – 15	5 Yrs.

The claims free physician will receive a 3% credit for compliance with the minimum Claims Free Period and will earn an additional 1% credit for each continuous claims free year thereafter up to 15% in total. However, if the physician has been continuously insured by the Company for 10 or more years, the maximum allowable Claims Free Credit that can be earned will be increased to 20%.

Credits will be applied or removed at policy inception or renewal only. Inclusion of claims history with prior carriers is subject to presentation of information acceptable to the Company. The determination of claims to be included and payment or reserve amounts to be considered will be based upon information available at the time the policy is rated, typically 60 days prior to effective date.

Notwithstanding any other provisions of this section, no insured with 3 or more claims will be eligible for a claims free credit without management approval.

VI. LEGAL DEFENSE COVERAGE

The Company offers two levels of Professional Legal Defense Coverage to insured physicians. No charge is made for the basic coverage, form MAI-MP-070. The most comprehensive, form MAI-MP-071, entails a base premium charge of \$500 per insured physician. A volume discount will be given, per the schedule below.

# of Insured Physicians	Discount %
5 and under	0%
6 through 10	5%
11 through 20	10%
over 20	15%

Limits of Liability will be offered as follows:

<u># of insureds</u>	<u>"Each Covered Investigation"</u>	<u>"Each Policy Period"</u>
1 - 5	\$25,000	\$25,000 X (# of insureds)
6 - 10	\$25,000	\$125,000
11 - 20	\$25,000	\$175,000
21 +	\$25,000	\$225,000

The limit of liability for "covered audits" will be \$5,000 per covered insured with a deductible of \$1,000 per audit per insured.

SECTION 6

STATE RATES AND EXCEPTIONS

I. RATES

A. Rating Classes - Florida

The following indicates the classification codes that are applicable to the rating classes on the following pages:

<u>Rating Class</u>	<u>Industry Class Codes</u>				
1	80102(A)	80178	80240	80254	80256(A)
2	80102(B)	80236	80256(B)	80268	
	80231	80243	80260	90512	
	80233	80244	80263		
	80235	80249	80265		
3	80145(A)	80245	80257	80289	80474
	80179	80246	80266	80420	80620
	80238	80252	80267	80431	
	80241	80255	80282	80473	
4	80114	80269	80287	80475(A)	
	80145(B)	80274	80291		
	80151	80277	80421(A)		
	80253	80281(A)	80425		
5	80145(C)	80278	80286	80421(B)	
	80261	80283	80288	80424	
	80281(B)	80284	80294		
6	80280	80360	80421(C)	80621	
7	80102(C)	80159	80293		
8	80155	80156	80167	80169	80472
9	80115	80117(A)	80280(B)		
10	80117(B)	80154(A)			
11	80117(C)	80143	80154(B)	80475(B)	
12	80144	80171			
13	80146	80150	80475(C)	80476	
14	80153				
15	80152	80475(D)			

B. Claims-Made Rates by Year

Territory 001 - Dade & Broward Counties

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	3,924	6,104	9,941	10,879	11,555
2	4,905	7,739	12,728	13,946	14,825
3	7,194	11,555	19,229	21,104	22,456
4	8,829	14,280	23,873	26,217	27,906
5	10,465	17,005	28,517	31,329	33,357
6	11,446	18,640	31,303	34,397	36,627
7	13,735	22,456	37,805	41,555	44,258
8	15,370	25,181	42,449	46,667	49,709
9	17,005	27,906	47,093	51,780	55,159
10	20,276	33,357	56,380	62,005	66,061
11	23,546	38,808	65,668	72,231	76,962
12	26,816	44,258	74,956	82,456	87,863
13	30,087	49,709	84,244	92,681	98,764
14	33,357	55,159	93,532	102,907	109,665
15	46,438	76,962	130,683	143,808	153,270

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	5,060	7,998	13,169	14,432	15,343
2	6,383	10,202	16,924	18,566	19,750
3	9,467	15,343	25,685	28,211	30,033
4	11,671	19,016	31,943	35,101	37,378
5	13,874	22,688	38,200	41,990	44,723
6	15,196	24,892	41,955	46,124	49,130
7	18,281	30,033	50,716	55,769	59,412
8	20,485	33,705	56,974	62,659	66,757
9	22,688	37,378	63,232	69,548	74,102
10	27,095	44,723	75,747	83,327	88,792
11	31,502	52,068	88,263	97,106	103,482
12	35,909	59,412	100,779	110,885	118,171
13	40,316	66,757	113,294	124,664	132,861
14	44,723	74,102	125,810	138,443	147,551
15	62,350	103,482	175,873	193,559	206,310

B. Claims-Made Rates by Year (continued)

Territory 001 - Dade & Broward Counties

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	6,226	9,941	16,479	18,076	19,228
2	7,897	12,727	21,226	23,303	24,800
3	11,798	19,228	32,304	35,499	37,802
4	14,584	23,871	40,217	44,210	47,089
5	17,370	28,515	48,129	52,921	56,376
6	19,042	31,301	52,877	58,148	61,948
7	22,943	37,802	63,954	70,344	74,950
8	26,395	43,557	73,760	81,140	86,459
9	29,256	48,324	81,883	90,082	95,993
10	34,976	57,857	98,129	107,968	115,061
11	40,696	67,391	114,375	125,854	134,129
12	46,417	76,925	130,621	143,740	153,197
13	52,137	86,459	146,867	161,625	172,265
14	57,857	95,993	163,113	179,511	191,333
15	80,739	134,129	228,097	251,054	267,605

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	7,418	11,927	19,864	21,803	23,201
2	9,447	15,309	25,627	28,148	29,965
3	14,182	23,201	39,074	42,952	45,748
4	17,564	28,838	48,679	53,527	57,022
5	20,946	34,474	58,284	64,101	68,295
6	22,975	37,856	64,047	70,446	75,059
7	27,710	45,748	77,495	85,251	90,843
8	32,029	52,947	89,761	98,756	105,240
9	35,516	58,757	99,662	109,656	116,861
10	42,488	70,378	119,464	131,456	140,102
11	49,461	81,999	139,265	153,257	163,344
12	56,433	93,619	159,067	175,057	186,585
13	63,405	105,240	178,869	196,858	209,826
14	70,378	116,861	198,671	218,658	233,068
15	98,268	163,344	277,877	305,860	326,034

B. Claims-Made Rates by Year (continued)

Territory 002 - Palm Beach County

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	3,539	5,463	8,849	9,676	10,272
2	4,405	6,906	11,307	12,383	13,158
3	6,425	10,272	17,044	18,698	19,891
4	7,868	12,677	21,141	23,209	24,700
5	9,310	15,082	25,239	27,721	29,510
6	10,176	16,524	27,697	30,427	32,395
7	12,196	19,891	33,434	36,743	39,128
8	13,639	22,296	37,532	41,254	43,938
9	15,082	24,700	41,629	45,765	48,747
10	17,967	29,510	49,824	54,788	58,366
11	20,853	34,319	58,019	63,810	67,984
12	23,738	39,128	66,215	72,832	77,603
13	26,624	43,938	74,410	81,855	87,222
14	29,510	48,747	82,605	90,877	96,840
15	41,052	67,984	115,385	126,966	135,315

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	4,542	7,134	11,697	12,811	13,615
2	5,709	9,079	15,010	16,459	17,504
3	8,430	13,615	22,740	24,969	26,577
4	10,375	16,855	28,262	31,048	33,057
5	12,319	20,096	33,783	37,127	39,538
6	13,485	22,040	37,096	40,775	43,427
7	16,207	26,577	44,826	49,285	52,500
8	18,152	29,817	50,348	55,364	58,980
9	20,096	33,057	55,870	61,443	65,461
10	23,984	39,538	66,913	73,601	78,423
11	27,873	46,019	77,956	85,759	91,384
12	31,761	52,500	88,999	97,917	104,346
13	35,650	58,980	100,043	110,075	117,307
14	39,538	65,461	111,086	122,233	130,269
15	55,092	91,384	155,259	170,864	182,115

B. Claims-Made Rates by Year (continued)

Territory 002 - Palm Beach County

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	5,570	8,848	14,617	16,026	17,043
2	7,045	11,306	18,806	20,638	21,959
3	10,487	17,043	28,580	31,399	33,432
4	12,945	21,140	35,562	39,086	41,626
5	15,404	25,237	42,544	46,772	49,821
6	16,879	27,695	46,733	51,384	54,737
7	20,320	33,432	56,507	62,145	66,210
8	23,367	38,509	65,159	71,671	76,365
9	25,891	42,715	72,327	79,561	84,777
10	30,938	51,128	86,661	95,343	101,602
11	35,985	59,540	100,996	111,124	118,426
12	41,033	67,952	115,331	126,906	135,251
13	46,080	76,365	129,665	142,688	152,076
14	51,128	84,777	144,000	158,469	168,900
15	71,317	118,426	201,339	221,595	236,199

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	6,622	10,601	17,604	19,315	20,548
2	8,412	13,585	22,689	24,913	26,517
3	12,590	20,548	34,554	37,976	40,443
4	15,575	25,522	43,029	47,306	50,390
5	18,559	30,495	51,504	56,637	60,337
6	20,349	33,480	56,589	62,235	66,306
7	24,527	40,443	68,454	75,298	80,232
8	28,338	46,795	79,278	87,214	92,936
9	31,414	51,921	88,014	96,832	103,189
10	37,566	62,175	105,486	116,068	123,696
11	43,719	72,429	122,958	135,303	144,204
12	49,871	82,682	140,430	154,539	164,711
13	56,023	92,936	157,902	173,775	185,218
14	62,175	103,189	175,374	193,011	205,725
15	86,784	144,204	245,263	269,953	287,754

B. Claims-Made Rates by Year (continued)

Territory 003 - Remainder of State

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	2,577	3,860	6,117	6,668	7,066
2	3,154	4,822	7,756	8,473	8,990
3	4,501	7,066	11,580	12,683	13,478
4	5,463	8,669	14,312	15,691	16,685
5	6,425	10,272	17,044	18,698	19,891
6	7,002	11,234	18,683	20,503	21,815
7	8,348	13,478	22,507	24,713	26,303
8	9,310	15,082	25,239	27,721	29,510
9	10,272	16,685	27,971	30,728	32,716
10	12,196	19,891	33,434	36,743	39,128
11	14,120	23,097	38,897	42,758	45,541
12	16,043	26,303	44,361	48,773	51,953
13	17,967	29,510	49,824	54,788	58,366
14	19,891	32,716	55,288	60,802	64,778
15	27,586	45,541	77,141	84,862	90,428

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	3,246	4,974	8,016	8,759	9,295
2	4,024	6,270	10,224	11,190	11,887
3	5,838	9,295	15,378	16,864	17,936
4	7,134	11,455	19,059	20,917	22,256
5	8,430	13,615	22,740	24,969	26,577
6	9,208	14,911	24,949	27,401	29,169
7	11,023	17,936	30,102	33,075	35,218
8	12,319	20,096	33,783	37,127	39,538
9	13,615	22,256	37,464	41,180	43,859
10	16,207	26,577	44,826	49,285	52,500
11	18,800	30,897	52,189	57,390	61,141
12	21,392	35,218	59,551	65,496	69,782
13	23,984	39,538	66,913	73,601	78,423
14	26,577	43,859	74,275	81,706	87,064
15	36,946	61,141	103,724	114,127	121,628

B. Claims-Made Rates by Year (continued)

Territory 003 - Remainder of State

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	3,931	6,117	9,962	10,902	11,580
2	4,915	7,755	12,755	13,977	14,857
3	7,209	11,580	19,271	21,151	22,506
4	8,848	14,311	23,926	26,275	27,969
5	10,487	17,043	28,580	31,399	33,432
6	11,470	18,681	31,373	34,474	36,709
7	13,765	22,506	37,889	41,648	44,358
8	15,796	25,891	43,657	47,998	51,128
9	17,478	28,695	48,436	53,259	56,736
10	20,843	34,303	57,992	63,780	67,952
11	24,208	39,911	67,549	74,301	79,169
12	27,573	45,519	77,105	84,822	90,385
13	30,938	51,128	86,661	95,343	101,602
14	34,303	56,736	96,218	105,864	112,818
15	47,763	79,169	134,444	147,948	157,684

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	4,632	7,285	11,954	13,094	13,917
2	5,826	9,275	15,344	16,827	17,896
3	8,611	13,917	23,254	25,535	27,180
4	10,601	17,232	28,904	31,755	33,811
5	12,590	20,548	34,554	37,976	40,443
6	13,784	22,538	37,944	41,708	44,422
7	16,569	27,180	45,854	50,417	53,706
8	19,110	31,414	53,070	58,361	62,175
9	21,161	34,832	58,894	64,773	69,011
10	25,262	41,668	70,542	77,596	82,682
11	29,364	48,504	82,190	90,420	96,354
12	33,465	55,339	93,838	103,244	110,025
13	37,566	62,175	105,486	116,068	123,696
14	41,668	69,011	117,134	128,892	137,368
15	58,074	96,354	163,726	180,187	192,054

B. Claims-Made Rates by Year (continued)

Territory 004 – Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie and Volusia counties.

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	3,058	4,661	7,483	8,172	8,669
2	3,780	5,864	9,532	10,428	11,074
3	5,463	8,669	14,312	15,691	16,685
4	6,665	10,673	17,727	19,450	20,692
5	7,868	12,677	21,141	23,209	24,700
6	8,589	13,879	23,190	25,465	27,105
7	10,272	16,685	27,971	30,728	32,716
8	11,475	18,689	31,385	34,487	36,724
9	12,677	20,692	34,800	38,247	40,731
10	15,082	24,700	41,629	45,765	48,747
11	17,486	28,708	48,458	53,284	56,763
12	19,891	32,716	55,288	60,802	64,778
13	22,296	36,724	62,117	68,321	72,794
14	24,700	40,731	68,946	75,840	80,809
15	34,319	56,763	96,263	105,914	112,872

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	3,894	6,054	9,856	10,785	11,455
2	4,866	7,674	12,617	13,825	14,695
3	7,134	11,455	19,059	20,917	22,256
4	8,754	14,155	23,660	25,983	27,657
5	10,375	16,855	28,262	31,048	33,057
6	11,347	18,476	31,022	34,088	36,298
7	13,615	22,256	37,464	41,180	43,859
8	15,235	24,956	42,066	46,246	49,259
9	16,855	27,657	46,667	51,312	54,660
10	20,096	33,057	55,870	61,443	65,461
11	23,336	38,458	65,072	71,575	76,262
12	26,577	43,859	74,275	81,706	87,064
13	29,817	49,259	83,478	91,838	97,865
14	33,057	54,660	92,680	101,969	108,666
15	46,019	76,262	129,491	142,496	151,871

B. Claims-Made Rates by Year (continued)

Territory 004 – Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie and Volusia counties.

Class Code	<u>\$500,000 / \$1,500,000</u>				
	1	2	3	4	5+
1	4,751	7,482	12,290	13,464	14,311
2	5,980	9,531	15,781	17,308	18,408
3	8,848	14,311	23,926	26,275	27,969
4	10,897	17,725	29,744	32,680	34,797
5	12,945	21,140	35,562	39,086	41,626
6	14,174	23,188	39,053	42,929	45,723
7	17,043	27,969	47,198	51,897	55,284
8	19,581	32,200	54,408	59,834	63,746
9	21,684	35,705	60,381	66,410	70,756
10	25,891	42,715	72,327	79,561	84,777
11	30,097	49,726	84,272	92,713	98,798
12	34,303	56,736	96,218	105,864	112,818
13	38,509	63,746	108,163	119,015	126,839
14	42,715	70,756	120,109	132,167	140,859
15	59,540	98,798	167,891	184,772	196,942

Class Code	<u>\$1 Million / \$3 Million</u>				
	1	2	3	4	5+
1	5,627	8,943	14,779	16,204	17,232
2	7,119	11,430	19,016	20,870	22,206
3	10,601	17,232	28,904	31,755	33,811
4	13,088	21,377	35,967	39,531	42,101
5	15,575	25,522	43,029	47,306	50,390
6	17,067	28,009	47,267	51,972	55,364
7	20,548	33,811	57,154	62,857	66,969
8	23,724	39,104	66,174	72,787	77,555
9	26,287	43,377	73,454	80,802	86,100
10	31,414	51,921	88,014	96,832	103,189
11	36,541	60,466	102,574	112,862	120,279
12	41,668	69,011	117,134	128,892	137,368
13	46,795	77,555	131,694	144,921	154,457
14	51,921	86,100	146,254	160,951	171,546
15	72,429	120,279	204,495	225,070	239,904

C. Primary Reporting Endorsement Claims-Made Rates by Year

Territory 001 - Dade & Broward Counties

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	9,822	15,599	17,910	19,066	19,644
2	12,601	20,014	22,979	24,461	25,203
3	19,088	30,316	34,807	37,052	38,175
4	23,720	37,673	43,254	46,045	47,440
5	28,353	45,032	51,703	55,039	56,707
6	31,133	49,446	56,772	60,435	62,266
7	37,619	59,748	68,600	73,026	75,239
8	42,253	67,107	77,049	82,020	84,505
9	46,885	74,465	85,496	91,012	93,770
10	56,152	89,182	102,395	109,001	112,304
11	65,418	103,899	119,291	126,987	130,835
12	74,684	118,615	136,188	144,974	149,367
13	83,949	133,331	153,084	162,961	167,899
14	93,215	148,048	169,981	180,947	186,431
15	130,280	206,915	237,569	252,896	260,559

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	13,042	20,713	23,782	25,316	26,083
2	16,788	26,663	30,613	32,588	33,575
3	25,528	40,545	46,551	49,554	51,056
4	31,771	50,460	57,936	61,674	63,543
5	38,015	60,376	69,321	73,793	76,029
6	41,761	66,326	76,152	81,065	83,521
7	50,500	80,206	92,089	98,030	101,000
8	56,743	90,122	103,473	110,149	113,487
9	62,987	100,038	114,858	122,268	125,973
10	75,473	119,869	137,628	146,507	150,946
11	87,960	139,701	160,397	170,745	175,919
12	100,445	159,531	183,165	194,982	200,891
13	112,932	179,362	205,935	219,221	225,864
14	125,418	199,194	228,704	243,459	250,837
15	175,364	278,519	319,781	340,412	350,727

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 001 - Dade & Broward Counties

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	16,344	25,958	29,803	31,726	32,688
2	21,080	33,480	38,440	40,920	42,160
3	32,132	51,033	58,593	62,373	64,263
4	40,026	63,570	72,988	77,697	80,051
5	47,920	76,108	87,383	93,020	95,839
6	52,656	83,630	96,019	102,214	105,312
7	63,708	101,183	116,173	123,668	127,415
8	73,490	116,720	134,011	142,657	146,980
9	81,594	129,591	148,789	158,388	163,188
10	97,802	155,332	178,345	189,851	195,604
11	114,010	181,074	207,900	221,313	228,019
12	130,217	206,816	237,455	252,775	260,435
13	146,425	232,558	267,011	284,237	292,851
14	162,633	258,300	296,566	315,699	325,266
15	227,464	361,267	414,788	441,548	454,929

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	19,721	31,321	35,962	38,282	39,442
2	25,470	40,453	46,446	49,442	50,941
3	38,886	61,760	70,909	75,484	77,772
4	48,469	76,980	88,384	94,086	96,937
5	58,051	92,198	105,857	112,687	116,102
6	63,800	101,330	116,341	123,847	127,600
7	77,217	122,638	140,807	149,891	154,433
8	89,454	142,074	163,122	173,646	178,908
9	99,332	157,762	181,135	192,821	198,664
10	119,087	189,138	217,158	231,168	238,173
11	138,842	220,514	253,183	269,518	277,685
12	158,597	251,890	289,207	307,865	317,195
13	178,352	283,265	325,230	346,213	356,704
14	198,108	314,642	361,255	384,562	396,216
15	277,129	440,146	505,353	537,956	554,258

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 002 - Palm Beach County

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	8,731	13,867	15,922	16,949	17,462
2	11,184	17,763	20,395	21,711	22,369
3	16,907	26,853	30,831	32,820	33,815
4	20,995	33,345	38,285	40,755	41,990
5	25,084	39,839	45,741	48,692	50,167
6	27,536	43,733	50,212	53,452	55,072
7	33,259	52,823	60,648	64,561	66,518
8	37,347	59,316	68,104	72,498	74,695
9	41,435	65,808	75,558	80,433	82,870
10	49,611	78,794	90,467	96,304	99,222
11	57,786	91,778	105,375	112,174	115,573
12	65,963	104,764	120,285	128,045	131,925
13	74,139	117,750	135,194	143,916	148,277
14	82,314	130,734	150,102	159,786	164,628
15	115,018	182,675	209,738	223,270	230,036

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	11,573	18,380	21,103	22,465	23,146
2	14,878	23,630	27,131	28,882	29,757
3	22,590	35,879	41,194	43,852	45,181
4	28,098	44,627	51,238	54,544	56,197
5	33,607	53,376	61,284	65,238	67,215
6	36,913	58,626	67,312	71,655	73,826
7	44,625	70,875	81,375	86,625	89,250
8	50,133	79,623	91,419	97,317	100,266
9	55,642	88,372	101,465	108,011	111,284
10	66,660	105,871	121,556	129,398	133,319
11	77,676	123,368	141,645	150,784	155,353
12	88,694	140,867	161,736	172,171	177,388
13	99,711	158,364	181,826	193,557	199,422
14	110,729	175,863	201,917	214,944	221,457
15	154,798	245,855	282,278	300,490	309,596

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 002 - Palm Beach County

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	14,487	23,008	26,417	28,121	28,973
2	18,665	29,645	34,036	36,232	37,330
3	28,417	45,133	51,820	55,163	56,834
4	35,382	56,195	64,520	68,683	70,764
5	42,348	67,258	77,223	82,205	84,696
6	46,526	73,895	84,842	90,316	93,053
7	56,279	89,384	102,626	109,247	112,557
8	64,910	103,093	118,366	126,002	129,821
9	72,060	114,449	131,404	139,882	144,121
10	86,362	137,163	157,483	167,643	172,723
11	100,662	159,875	183,560	195,403	201,324
12	114,963	182,589	209,639	223,164	229,927
13	129,265	205,303	235,718	250,925	258,529
14	143,565	228,015	261,795	278,685	287,130
15	200,769	318,869	366,108	389,728	401,538

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	17,466	27,740	31,849	33,904	34,932
2	22,539	35,798	41,101	43,753	45,079
3	34,377	54,598	62,687	66,731	68,753
4	42,832	68,027	78,105	83,144	85,663
5	51,286	81,455	93,522	99,556	102,573
6	56,360	89,513	102,774	109,405	112,720
7	68,197	108,313	124,360	132,383	136,394
8	78,996	125,464	144,051	153,344	157,991
9	87,711	139,305	159,943	170,262	175,421
10	105,142	166,990	191,729	204,098	210,283
11	122,573	194,675	223,516	237,937	245,147
12	140,004	222,360	255,302	271,773	280,009
13	157,435	250,044	287,088	305,610	314,871
14	174,866	277,729	318,874	339,446	349,733
15	244,591	388,468	446,019	474,794	489,182

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 003 - Remainder of State

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	6,006	9,539	10,952	11,659	12,012
2	7,642	12,137	13,935	14,834	15,283
3	11,456	18,195	20,891	22,239	22,913
4	14,182	22,525	25,862	27,530	28,365
5	16,907	26,853	30,831	32,820	33,815
6	18,543	29,450	33,813	35,995	37,086
7	22,358	35,509	40,770	43,400	44,715
8	25,084	39,839	45,741	48,692	50,167
9	27,809	44,167	50,710	53,981	55,617
10	33,259	52,823	60,648	64,561	66,518
11	38,710	61,480	70,589	75,143	77,420
12	44,160	70,137	80,527	85,722	88,320
13	49,611	78,794	90,467	96,304	99,222
14	55,061	87,450	100,406	106,884	110,123
15	76,864	122,078	140,163	149,206	153,728

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	7,901	12,548	14,407	15,337	15,802
2	10,104	16,047	18,425	19,614	20,208
3	15,246	24,214	27,801	29,594	30,491
4	18,918	30,046	34,497	36,722	37,835
5	22,590	35,879	41,194	43,852	45,181
6	24,794	39,378	45,212	48,129	49,587
7	29,935	47,544	54,588	58,110	59,871
8	33,607	53,376	61,284	65,238	67,215
9	37,280	59,210	67,981	72,367	74,560
10	44,625	70,875	81,375	86,625	89,250
11	51,970	82,540	94,769	100,883	103,940
12	59,315	94,206	108,162	115,140	118,629
13	66,660	105,871	121,556	129,398	133,319
14	74,004	117,536	134,949	143,656	148,009
15	103,384	164,198	188,523	200,686	206,768

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 003 - Remainder of State

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	9,843	15,633	17,949	19,107	19,686
2	12,628	20,057	23,028	24,514	25,257
3	19,130	30,383	34,884	37,135	38,260
4	23,774	37,758	43,352	46,149	47,547
5	28,417	45,133	51,820	55,163	56,834
6	31,203	49,557	56,899	60,570	62,405
7	37,704	59,883	68,755	73,191	75,409
8	43,459	69,023	79,248	84,361	86,918
9	48,226	76,594	87,941	93,614	96,451
10	57,759	91,735	105,326	112,121	115,518
11	67,294	106,878	122,712	130,629	134,587
12	76,827	122,020	140,097	149,135	153,655
13	86,362	137,163	157,483	167,643	172,723
14	95,895	152,304	174,868	186,150	191,791
15	134,031	212,873	244,410	260,179	268,063

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	11,829	18,788	21,571	22,963	23,659
2	15,212	24,160	27,739	29,528	30,423
3	23,103	36,693	42,129	44,847	46,206
4	28,739	45,645	52,407	55,788	57,479
5	34,377	54,598	62,687	66,731	68,753
6	37,759	59,970	68,854	73,296	75,517
7	45,650	72,503	83,244	88,615	91,300
8	52,849	83,936	96,371	102,589	105,698
9	58,659	93,165	106,967	113,868	117,319
10	70,280	111,621	128,157	136,425	140,559
11	81,901	130,078	149,349	158,984	163,802
12	93,521	148,534	170,539	181,541	187,043
13	105,142	166,990	191,729	204,098	210,283
14	116,763	185,447	212,920	226,657	233,526
15	163,246	259,273	297,684	316,889	326,492

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 004 – Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie and Volusia counties.

Class Code	\$100,000 / \$300,000				
	1	2	3	4	5+
1	7,369	11,703	13,437	14,304	14,737
2	9,413	14,950	17,165	18,272	18,826
3	14,182	22,525	25,862	27,530	28,365
4	17,588	27,934	32,073	34,142	35,176
5	20,995	33,345	38,285	40,755	41,990
6	23,039	36,592	42,013	44,723	46,079
7	27,809	44,167	50,710	53,981	55,617
8	31,215	49,577	56,922	60,595	62,431
9	34,621	54,987	63,133	67,206	69,243
10	41,435	65,808	75,558	80,433	82,870
11	48,249	76,630	87,983	93,659	96,497
12	55,061	87,450	100,406	106,884	110,123
13	61,875	98,272	112,831	120,110	123,750
14	68,688	109,092	125,254	133,335	137,375
15	95,941	152,377	174,952	186,239	191,882

Class Code	\$250,000 / \$750,000				
	1	2	3	4	5+
1	9,737	15,464	17,755	18,901	19,474
2	12,491	19,838	22,777	24,247	24,982
3	18,918	30,046	34,497	36,722	37,835
4	23,508	37,337	42,868	45,634	47,017
5	28,098	44,627	51,238	54,544	56,197
6	30,853	49,002	56,262	59,892	61,707
7	37,280	59,210	67,981	72,367	74,560
8	41,870	66,500	76,351	81,277	83,740
9	46,461	73,791	84,723	90,189	92,922
10	55,642	88,372	101,465	108,011	111,284
11	64,823	102,954	118,206	125,832	129,645
12	74,004	117,536	134,949	143,656	148,009
13	83,185	132,118	151,691	161,477	166,371
14	92,366	146,699	168,432	179,299	184,732
15	129,090	205,026	235,400	250,587	258,181

C. Primary Reporting Endorsement Claims-Made Rates by Year (continued)

Territory 004 – Brevard, Flagler, Indian River, Martin, Monroe, Osceola, Polk, Seminole, St. Johns, St. Lucie and Volusia counties.

Class Code	\$500,000 / \$1,500,000				
	1	2	3	4	5+
1	12,164	19,320	22,182	23,613	24,329
2	15,647	24,851	28,532	30,373	31,294
3	23,774	37,758	43,352	46,149	47,547
4	29,577	46,976	53,935	57,415	59,155
5	35,382	56,195	64,520	68,683	70,764
6	38,865	61,726	70,871	75,443	77,729
7	46,991	74,633	85,690	91,219	93,983
8	54,184	86,057	98,806	105,181	108,368
9	60,143	95,521	109,672	116,747	120,285
10	72,060	114,449	131,404	139,882	144,121
11	83,978	133,377	153,137	163,017	167,957
12	95,895	152,304	174,868	186,150	191,791
13	107,813	171,233	196,600	209,284	215,626
14	119,730	190,160	218,331	232,417	239,460
15	167,401	265,872	305,260	324,954	334,801

Class Code	\$1 Million / \$3 Million				
	1	2	3	4	5+
1	14,647	23,263	26,710	28,433	29,294
2	18,875	29,978	34,419	36,640	37,750
3	28,739	45,645	52,407	55,788	57,479
4	35,786	56,836	65,257	69,467	71,572
5	42,832	68,027	78,105	83,144	85,663
6	47,059	74,741	85,814	91,351	94,119
7	56,924	90,408	103,802	110,499	113,847
8	65,922	104,699	120,210	127,966	131,844
9	73,185	116,235	133,455	142,065	146,370
10	87,711	139,305	159,943	170,262	175,421
11	102,237	162,377	186,432	198,460	204,474
12	116,763	185,447	212,920	226,657	233,526
13	131,288	208,517	239,408	254,854	262,577
14	145,814	231,587	265,896	283,051	291,628
15	203,918	323,870	371,851	395,842	407,837

D. Excess Coverage Factors

Excess limits premium shall be derived by applying the appropriate factor below to the appropriate primary rate. Excess limits are only offered above underlying limits of \$1 million.

These factors are based upon negotiated reinsurance agreements. Deviation from table factors may occur based upon the loss history of the group, underwriting discretion and rates as negotiated with reinsurers, but the maximum debit or credit for any individual policy for these or any other subjective reasons shall not exceed 25%. The minimum policy premium for these or any other subjective debits or credits to apply, both before and after application of the credits or debits, is \$1,000.

1. Zone 1 - Claims Made Policies

Factors for limits above:

EXCESS LIMITS	\$1M/\$3M Primary	
	Classes 1 - 7	Classes 8 - 15
\$1M	0.1977	0.2535
\$2M	0.3164	0.4040
\$3M	0.4055	0.5169
\$4M	0.4723	0.6016
\$5M	0.5324	0.6779
\$6M	0.5865	0.7464
\$7M	0.6352	0.8081
\$8M	0.6791	0.8637
\$9M	0.7185	0.9137
\$10M	0.7540	0.9588

II. EXCEPTIONS

A. Policy Issuance

1. Item III, Installment Payments, is hereby added to Section 1, Introduction, as follows:

III. INSTALLMENT PAYMENTS

1. Annual Pay Plan – payment in full
2. Semi-Annual Payment Plan – 60% down and one installment of 40%
3. Quarterly Payment Plan – 35% down, second and third installments of 25% each and a final payment of 15%
4. Nine Payment Plan – 20% down and eight consecutive monthly installments of 10% each

B. Rules

1. Section 2, Physicians and Surgeons Specialty Codes and Descriptions, is amended by adding the following:

<u>Specialty</u>	<u>No Surgery</u>	<u>Industry Class Code</u>	
		<u>Minor Surgery</u>	<u>All Other Surgery</u>
Endocrinology	80238	-	-
Geriatrics	80243	-	-
Hyperbaric Medicine	90512	-	-
Infectious Diseases	80246	-	-
Radiology	-	-	80280(B)

2. Item II, Fellows, Residents and Interns, of Section 3, Classification and/or Rating Modifications and Procedures, is amended as follows:

- A. Coverage may be written for fellows, residents and interns practicing within the scope of their training in the teaching environment. Clinical exposure must not exceed 30 hours per week. The rates, listed below, shall be based upon the appropriate specialty classification consistent with the clinical exposure of each individual rated.

16 – 20 hours	50% of applicable rate
11 – 15 hours	35% of applicable rate
Up to 10 hours	25% of applicable rate

3. Item III, Family Practice/General Practice – Minor Surgery, of Section 3, Classification and/or Modifications, is hereby deleted.
4. Item X, Rate Change Amelioration, of Section 3, Classification and/or Rating Modifications, is hereby deleted.

5. Section 4, Professional Liability Discounts, is amended by replacing Item III with the following.

III. RISK MANAGEMENT PREMIUM CREDITS

Insureds who participate in risk management activities approved by the Company are eligible for the following premium credits, up to a maximum of 10%.

- A. Individual Risk Management Activities: Individual insureds may receive premium credits as indicated for completion, within the 12 months prior to application, of the following activities:

<u>Activity</u>	<u>Credit</u>
1. Successful completion of an approved fee-for-Service office analysis and education program. Positive response to recommendations made may result in the application of this credit for up to three policy years. Applicable only to accounts generating \$250,000 or more in annual premium.	5%
2. a. A Company sponsored Loss Prevention or other approved risk management seminar carrying at least two CME credits (annual); and/or,	5%
b. an approved closed claim review (annual); and/or	5%
c. successful completion of an approved risk management correspondence course carrying at least two CME credits (annual).	5%
3. Demonstrated regular use of an approved patient information system or program.	5%

Educational activities must qualify for Continuing Medical Education credit (where applicable) to be acceptable for risk management credits. The applicant must provide proof (Certificate) of CME credits earned at the time of application. Activities submitted for risk management credits must have been completed within twelve months prior to application.

- B. In addition to the above, any physician or surgeon whose practice benefits from the risk management activities of an employed practice administrator or risk manager shall receive one of the following credits:
1. If the practice employs a full-time, qualified, professional risk manager primarily engaged in risk management and loss prevention activities, each insured shall receive a 5% credit.
 2. If the practice administrator or office manager participates in a Company-sponsored Loss Prevention or other risk management seminar, each insured shall receive a 2% credit. Certain requirements apply:

- a. The seminar must be designated by the Company as eligible for practice administrator credit.
- b. Attendance must occur within the twelve months prior to application.
- c. At least 75% of the insureds in the practice must qualify for risk management credit as a result of individual risk management activities under the terms of Section III (A)(2), above.
- d. The practice administrator or office manager must actively manage the practice for thirty or more hours per week. In the case of shared practice management, determination of eligibility will rest with the Company.

C. Any risk management credit may be revoked or withheld for any of the following reasons:

1. Failure by an individual insured to certify adherence to risk management guidelines adopted by the Company and in effect at the time of application.
2. Demonstrable evidence which indicates that the insured has been or is practicing in violation of guidelines or underwriting criteria adopted by the Company;
3. Results of an underwriting audit which show serious deficiencies, including but not limited to non-compliance with specialty risk management guidelines;
4. Evidence of falsification of attendance, credit or completion of risk management activities applied towards a risk management credit; or
5. Negative claim history.

Information obtained in the process of handling a claim may be used in evaluating an insured with respect to the above condition; however, the filing of a claim or incurring any expense or indemnity on behalf of an insured shall not alone be considered grounds for reducing, revoking or withholding a credit.

6. Item IV, Hospital Based Discount Programs, of Section 4, Professional Liability Discounts, is hereby deleted.
7. Section 4, Professional Liability Discounts, is amended by replacing Item V with the following:

V. SCHEDULED RATING PROGRAM

The Company has determined that significant variability exists in the hazards faced by physicians and surgeons engaged in the practice of medicine. Exposure conditions vary with respect to:

1. Number of years experience in medicine;
2. Number of patient exposures;
3. Organization (if any) and size;
4. Medical standards review and claims review committees;
5. Other risk management practices and procedures;
6. Training, accreditation and credentialing;
7. Continuing Medical Education activities;
8. Professional liability claim experience;
9. Record-keeping practices;
10. Maintenance and utilization of certain monitoring equipment, diagnostic tests or diagnostic procedures;
11. Participation in capitation contracts; and.*
12. Insured group maintains differing limits of liability on members.*

In order to recognize these and other factors affecting a particular practitioner or group practice, the Company proposes to apply a debit or credit to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the risk and subject to a minimum eligibility of \$1,000 before and after the application of the credit/debit for subjective rating plans.

The maximum credit will be 25%; the maximum debit will be 25%.

The Scheduled Rating Plan will apply to individuals as well as groups of two or more physicians, on both a primary and excess rate basis, as the Company becomes aware of variability in the risk characteristics of the individual or group.

* NOTE: No credit will be given for #11 or #12 above.

8. Section 4, Professional Liability Discounts, is amended by replacing Item VI with the following:

VI. DEDUCTIBLES

Deductibles may apply either to indemnity only or indemnity and ALAE. Any discount will be calculated by subtracting from the applicable primary limit premium the product of the applicable limits of liability multiplied by the deductible factor. Deductibles are subject to approval by the Company based on financial statements to be submitted by the insured and financial guarantees as required.

A. Individual Deductibles

Discount as a Percentage of Rate for Applicable Primary Limit of \$1M/\$3M

These per claim and aggregate (if any) deductibles apply to each insured separately.

<u>INDEMNITY ONLY</u>		<u>INDEMNITY AND ALAE</u>	
<u>Deductible Per Claim</u>		<u>Deductible Per Claim</u>	
\$ 5,000	2.5%	\$ 5,000	4.0%
\$10,000	4.5%	\$10,000	7.5%
\$15,000	6.0%	\$15,000	9.6%
\$20,000	8.0%	\$20,000	11.4%
\$25,000	9.0%	\$25,000	13.0%
\$50,000	15.0%	\$50,000	19.0%
\$100,000	25.0%	\$100,000	28.0%
\$200,000	37.5%	\$200,000	42.5%
\$250,000	42.0%	\$250,000	50.0%

<u>Per Claim/Aggregate</u>		<u>Per Claim/Aggregate</u>	
\$ 5,000/15,000	2.1%	\$ 5,000/15,000	3.0%
\$10,000/30,000	3.9%	\$10,000/30,000	7.0%
\$25,000/75,000	8.5%	\$25,000/75,000	12.0%
\$50,000/150,000	14.0%	\$50,000/150,000	18.0%
\$100,000/300,000	24.0%	\$100,000/300,000	26.5%
\$200,000/600,000	36.0%	\$200,000/600,000	41.0%
\$250,000/750,000	40.0%	\$250,000/750,000	48.5%

For other deductible amounts selected by policyholders, refer to management for rating.

B. Group Deductibles

An optional deductible which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per claim deductible continues to apply separately to each insured involved in a suit. However the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year.

When an organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below.

Group aggregate deductible discounts apply to applicable premiums only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

<u>Indemnity Deductible</u> <u>Per Claim/Aggregate</u> <u>(\$000)</u>	<u>Number of Insureds</u>				<u>Maximum</u> <u>Credit</u>
	<u>2 - 19</u>	<u>20 - 40</u>	<u>41 - 60</u>	<u>61 - 100</u>	
5/15	.020	.018	.015	.012	\$ 12,750
10/30	.038	.035	.030	.024	25,500
25/75	.084	.079	.070	.058	63,750
50/150	.145	.139	.127	.109	127,500
100/300	.234	.228	.216	.196	255,000
200/600	.348	.346	.338	.321	510,000
250/750	.385	.385	.381	.368	637,500

<u>Indemnity & ALAE</u> <u>Deductible</u> <u>Per Claim/Aggregate</u> <u>(\$000)</u>	<u>Number of Insureds</u>				<u>Maximum</u> <u>Credit</u>
	<u>2 - 19</u>	<u>20 - 40</u>	<u>41 - 60</u>	<u>61 - 100</u>	
5/15	.029	.026	.021	.017	\$ 12,750
10/30	.068	.063	.054	.043	25,500
25/75	.119	.112	.099	.082	63,750
50/150	.186	.179	.163	.140	127,500
100/300	.258	.252	.239	.216	255,000
200/600	.396	.394	.385	.366	510,000
250/750	.467	.467	.462	.446	637,500

C. Self-Insured Retentions

Insureds may self-insure a portion of their professional and general liability risk with the Company's policy attaching in excess of the Self-Insured Retention selected. The Self-Insured Retention limit may include ALAE, or ALAE may be paid pro rata. All such policies must be referred to the Company for special consideration.

9. Section 4, Professional Liability Discounts, is amended by adding the following:

VIII. OTHER DISCOUNT MODIFICATIONS

Participation in the Neurological Injury Compensation Association

Each eligible physician who provides satisfactory proof of membership in the Florida Birth-Related Neurological Injury Compensation Association (NICA) will receive a premium credit of \$4,750.00. Credit will be applied on a pro rata basis at renewal date next following payment of the NICA fees.

10. Section 5, Additional Practice Charges, is amended by replacing Item VI with the following:

VI. LEGAL DEFENSE COVERAGE

The Company offers Professional Legal Defense Coverage to insured physicians.

Limits of Liability will be offered as follows:

<u># of insureds</u>	<u>"Each Covered Investigation"</u>	<u>"Each Policy Period"</u>
1 - 5	\$25,000	\$25,000 X (# of insureds)
6 - 10	\$25,000	\$125,000
11 - 20	\$25,000	\$175,000
21 +	\$25,000	\$225,000

The limit of liability for "covered audits" will be \$5,000 per covered insured with a deductible of \$1,000 per audit per insured.

SECTION 7

**STATE RATES AND EXCEPTIONS
PHYSICIAN EXTENDERS AND PARAMEDICAL EMPLOYEES**

I. RATES

A. FULL-TIME EQUIVALENT RATING

Rating of certain multi-Certified Nurse Anesthetist (CRNA) groups may, at the Company's option, be determined on a full-time equivalent (FTE) unit basis. Under this rating method, coverage may be issued for positions with identified individuals who may fill such positions rather than being issued for specific individuals. An FTE rate will be determined based upon the filed and approved rating factors for CRNAs, but will be allocated based upon the number of average hours of practice. A group with fewer than 4,000 CRNA FTE hours each year will not qualify for full-time equivalent rating.

All FTE rated applications shall be referred to the Company.

B. FULL-TIME EQUIVELENT RATES – CRNAs

1. Full time equivalency is based on the number of hours of practice per year. The definition of one FTE is 2,000 practice hours per year.
2. The minimum FTE factor assigned to an individual CRNA is 0.06 (120 hours), subject to a total FTE per policy of no less than 2.0.
3. For risks rated on an FTE basis, develop premium using the following CRNA shared limits rating factor:

0.15 of the fourth year claims-made, 80151 rate

For CRNAs employed by an insured performing pain management procedures, apply the above factor to the fourth year claims-made 80475(C) rate.

C. RULES

Individual CRNAs eligible for this rating method must each complete a paramedical application and must meet underwriting approval on an individual basis.

1. Hours of practice shall be the total number of hours that the CRNA is performing services for the insured group, during surgical procedures or otherwise.
2. Practice hours of CRNA's participating in FTE rating are subject to random audit by the Company. Premium adjustments may be made during the policy period, at the Company's option, based on the number of FTEs in use. In addition, the Company will perform a complete audit of practice hours completed for each CRNA group being rated on an FTE basis at the end of the policy year.

Filing Details

Work Unit Number: W06-289986
Filing Purpose: Rate & Rule
Product: Medical Malpractice/ Physicians & Surgeons
Date Created: 9/27/2006 02:50:46 PM
Filing Name:

Company Details

Company Name	FEIN	NAIC CC	NAIC GC
PRONATIONAL INSURANCE COMPANY	382317569	38954	2698

Filing Originator Information

Company E-Mail:

Contact Name: Ms. LaQuita B Goodwin
Contact Title: Compliance Specialist
Professional Designation:
Contact E-mail: lgoodwin@proassurance.com

Street Address: 100 Brookwood Place
Suite/Room #:
P.O. Box Mailing Address:
Department: Legal Department
City: Birmingham
State: AL
Zip Code: 35209
Country:

Non US Postal Code:

Phone Number: 205-877-4426 **Ext**
Fax Number: 205-414-2887
Toll Free Number: 800-282-6242 **Ext** 4426
Non US Phone Number:

Company Contact Information

Company E-Mail:

Contact Name: Ms. LaQuita B Goodwin
Contact Title: Compliance Specialist
Professional Designation:
Contact E-mail: lgoodwin@proassurance.com

Street Address: 100 Brookwood Place

Suite/Room #:

P.O. Box Mailing Address:

Department:

City:

State:

Zip Code:

Country:

Non US Postal Code:

Phone Number:

Fax Number:

Toll Free Number:

Non US Phone Number:

General Information

Company Filing Number

New Business Effective Date

Renewal Business Effective Date

Product:

Are you writing new business in Florida for this line of business?

New Program, New Product, or New Line of Business?

Amending currently filed forms, rates or rules?

If yes, please provide previous DOI File Log Number

Filing Content Information

This is a Rate & Rule filing.

Type of Coverage:

Commercial

File Usage:

FILE & USE

Rate/Rule Filings

Is this filing being submitted by a Ratings Organization?

☒ Yes ☐ No

Is this Annual Rate Certification in accordance with Section 627.0645, Florida Statutes?

☒ Yes ☐ No

If yes to above, is Certification attached:

☒ Yes ☐ No ☐ N/A

Have you included a listing of all changes in manual pages or rules with supporting information and explanation?

☒ Yes ☐ No

Does this filing result in a significant revision in rates or rating variables? If Yes, explain in filing:

☒ Yes ☐ No

Does this filing result in a significant revision in underwriting rules or guidelines? If Yes, explain in filing:

☒ Yes ☐ No

Does this filing amend any of the following?

☒ Yes ☐ No

(Please mark the appropriate item, if applicable)

☒ Base Rate(s) & Loss Costs

☐ Base Rate(s) Only

☐ Loss Costs Only

Summary of Rate Filing as applicable

Rate Change Request

-8.6

Rate Indicated

-8.6

Earned Premium Volume (all programs affected by this filing)

57492317

Number of Policies (all programs affected by this filing)

1629

Uploaded Documents

Document Type	FileNet Number	Form Number	Title
Cover Letter	0		Cover Letter
Explanatory Memorandum	0		Explanatory Memorandum
Manual/Rate Pages	0		Underwriting Manual

Filing Certification

I certify that I am authorized to make this Forms or Rate/Rule filing on behalf of the company(s) referenced herein. I further certify that the information contained in related transmittals and the filing is true, complete, correct and, to the best of my knowledge, in compliance with all applicable Florida laws and administrative rules including applicable policy readability standards.

Name: LaQuita B. Goodwin
Title: Compliance Specialist

Officer's Statement

No portion of a judgment entered or settlement paid as a result of a statutory or common law, bad-faith action and any portion of a judgment entered which awards punitive damages against an insurer is included in the data supporting the proposed rate change.

The rate change proposed in this filing will be used for the replenishment of reductions to reserves or surpluses with are attributable to investment losses.

Officer Name: Darryl Thomas
Officer Title: President
Officer Name: Katie Neville
Officer Title: Vice President

Under penalty or perjury, we declare that we have read the forgoing statements and that the facts stated in them are true.